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NEWS SUMMARY

GENERAL

Army carrier sent to riot jail

An Army Saracen armoured personnel carrier was rushed to Hull jail where rooftop rioters have pinned down a number of prison officers in the administration block. The officers were unable to escape without being hit by a hail of missiles from the demonstrators.

Prison officer reinforcements were on their way last night from Leeds, Northallerton, Manchester, Wetherby and Hatfield, near Doncaster. Nearly 100 long-term prisoners have been evacuated. The men were led handcuffed from the prison's back door to coaches waiting to transfer them to other jails in the region.

A banner suggested the protest was against alleged brutality by prison officers. It read: "Four warders beat up one prisoner. We demand a full public inquiry."

Carnival rioters from far afield

Of 60 people arrested after the Notting Hill carnival riot—50 West Indians and 10 whites—41 were from outside the immediate area, Scotland Yard said. Nine or 10 came from south London and others from Shepherd's Bush, Maida Vale, West Kensington, Ealing, Hendon, Camden Town and Harlesden. Some were from Birmingham, Sandwich and High Wycombe.

Irish emergency

The declaration of a state of emergency sought by the Irish Government was passed by both houses in the Dublin Parliament by 70 votes to 65. Back Page

More water cuts

Companies in north-west Gwent, Wales, have been rationed to 60 per cent. of their usual supply of water and standpipes, to be used almost immediately, are being put up in the south-west of Yorkshire. Back Page

Go-slow still on

The go-slow by Spanish air traffic controllers is to go on. Page 6

Cancer toll down

For the first time in more than half a century the number of deaths in England and Wales from lung cancer has gone down, the Office of Population Censuses and Surveys said. The number of women dying from lung cancer continues to rise.

Quieter Mao

There is growing evidence that Chairman Mao is withdrawing from the Chinese leadership and he may no longer be in Peking. Page 5

Sixth blaze

There was another blaze in the geriatric wing of St. James's hospital, Leeds, as police were investigating five other unexplained fires in the building.

FBI probe

President Ford has ordered an investigation into allegations that Mr. Clarence Kelley, director of the FBI, accepted expensive gifts from subordinates. Earlier story Page 4

People and . . .

Prince Charles commanded the 427-ton minesweeper Bronington as it sailed within half a mile of the heavily-guarded East German frontier near the Baltic seaside town of Travemuende.

Henry Cecil—real name Henry Cecil Leon—who wrote best-selling comedies about the law, gave away nearly all his money. He died in May aged 73—and left only £4,595.

. . . places

Cairngorms: Climbers returning to Aviemore reported snow showers.

East Anglia: Visitors to the area should be charged 10p and the cash used to improve amenities on the coast, it was suggested by Tendring District Council.

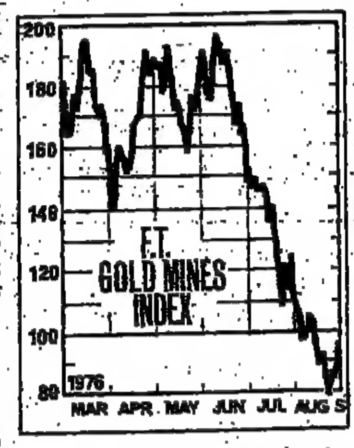
BUSINESS

Wall St. up 12.21; gold mines rise 8.5

● WALL STREET rose 12.21 to 985.95, buoyed by market optimism about prospects for curbing U.S. inflation.

● GILTS showed a modest improvement in thin trade. Several long-dated stocks rose ½, while short-dated issues, a little uncertain gained ⅛.

● EQUITIES were generally becalmed, with the FT 30-Share Index edging up 0.3 to 351.1.



But a rise in the bullion price encouraged U.S. support for Gold Mines, which rose 8.5 to 95.7. Closures planned, Mining News, Page 22.

● STERLING eased in fairly quiet trading, closing at $1.7750, off 25 points. Its trade-weighted depreciation widened to 39.6 (39.4) per cent.: dollar's widened to 2.54 (2.31) per cent.

● GOLD rose $1.50 to $105.125 on moderate buying.

● MEXICO, beset with rapid inflation, has devalued the peso for the first time in 22 years by abandoning its fixed parity with the U.S. dollar and allowing it to float downwards. Page 4

Hopes dashed at Leyland

● DISPUTE at Leyland's Longbridge plant is settled, but hopes for a return to normal car production have been dampened by other, worsening strikes. Back Page.

● PETROL retailers will be able to adjust their petrol pumps to blank out the price or show half-price — because inflation has caused problems with the mechanism. Page 8.

● BURMAH OIL has cleared an obstacle in its plan to become a big carrier of liquefied natural gas by reaching agreement on revised terms for a 20-year contract to ship supplies from Indonesia to Japan. Back Page

● BRITISH STEEL will send letters to customers over the next few days outlining its plan to raise prices on a wide variety of products by an average of 10 per cent. Back Page

● NATIONAL CASH REGISTER is to make 600 workers redundant at its Dundee factories. Page 8

● DIAMOND market's continuing strength is reflected in De Beers' decision to resume development of its Koingnaas deposit, where work was suspended in 1971. Page 22

● VOLUME of world exports will reach a new peak this year, according to a GATT forecast. Page 4

COMPANIES

● DECCA pre-tax profit rose to £13.59m. (£13.28m.) on higher turnover of £170m. (£154.3m.) in the year to March 31. Page 18 and Lex

● ALBRIGHT AND WILSON reports pre-tax profit up from £9.09m. to £14.37m. in the first half of the year. Page 19 and Lex

● MECCA has received 18 offers for the Clubman's membership subscriptions concern, which it recently put on the market at £100,000. Page 22

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Treasury 12pc 1983	£97¾	+ ⅜
Exchequer 13½pc '96	£95⅞	+ ¼
Abercom Invs.	150	+ 7
Albright and Wilson	76	+ 4
Decca "A"	196	+ 12
Manbre and Garton	162	+ 4
Matthews Wrightson	185	+ 13
Primrose Ind. Hldgs.	97	+ 7
Scot. Heritable Tst.	22	+ 4½
Simon Eng.	117	+ 4
Spencer (G.)	35	+ 10
Whessoe	43	+ 3
Burmah Oil	34	+ 3
Anglo American Crp.	221	+ 11
Gold Fields SA	800	+ 100
Pres. Brand	775	+ 88
Randfontein	£14	+ 1½
Union Crpn.	195	+ 10
Western Deep.	600	+ 50
Western Hldgs.	£11	+ 1½

FALLS

Black (A. and C.)	40	− 3
Brotherhood (P.)	78	− 3
Cumulus Inv.	12	− 2
Gt. Portland Estates	216	− 6
Hammerson "A"	335	− 10
Hindson Print	40	− 3
Land Secs.	151	− 3
Philips' Lamp	885	− 12
Regalian Props.	4	− 2
Slough Estates	73	− 3
Steel Bros.	196	− 7
Western Mining	181	− 7

Callaghan to study jobless proposals after TUC appeal

BY ALAN PIKE, LABOUR STAFF

Members of the TUC economic committee yesterday made an anxious pre-Congress appeal to the Prime Minister for new Government measures to reduce unemployment, which last week rose above 1.5m. for the first time since the war.

The Prime Minister agreed to meet the committee again after next week's annual Congress and asked them to detail some of the TUC's proposals for cutting unemployment in a written paper for this meeting.

But Mr. Len Murray and his colleagues left London for pre-Congress meetings in Brighton last night without any firm new Government proposals for immediate action to present to delegates next week.

Mr. Murray, questioned after the 2½-hour meeting about forecasts that unemployment might linger around the 1m. mark for the next four years, said he did not believe that the agreement between the Government and the TUC could survive 1m. unemployed for so long a period. He emphasised, however, that the social contract was "alive and kicking."

The TUC general secretary said: "We are not talking about it dying. We are talking about keeping it healthy and I am sure Congress next week will endorse that view." Union leaders were, nonetheless, unhappy and anxious about the present level of unemployment.

Yesterday's meeting with the Prime Minister was requested by the unions in response to last week's unemployment figures. Mr. Callaghan was accompanied at the talks by Mr. Denis Healey, the Chancellor, Mr. Eric Varley, Industry Secretary, Mr. Albert Booth, Employment Secretary and Mr. Edmund Dell, Trade Secretary.

The Prime Minister and his colleagues stressed the Government's view that unemployment may now be at its peak, pointing to signs of growing job vacancies and a reduction in the number of workers on short time. But Mr. Murray said afterwards the TUC was "not absolutely convinced" that this was the case.

Investment

Familiar themes from the TUC's economic review will dominate the paper which Mr. Callaghan has asked for at the next meeting, expected to take place towards the end of this month and before the Labour Party conference. The TUC will call yet again for increased selective import controls, extension of the activities of the National Enterprise Board, a more determined investment drive in manufacturing industry and more work on planning agreements.

Ministers responded to demands for import controls at yesterday's meeting by warning that at a time when the Government was preparing for an export-led boom, controls were likely to invoke widespread retaliation. However, the Government undertook to look at any case made out by the unions for controls in a particular industry.

Mr. Murray conceded after yesterday's talks that the Government had not gone so far as to suggest it would accept any of the TUC proposals but said Ministers had "shown interest." He said the Congress next week would demonstrate that the anxiety about unemployment expressed by union leaders yesterday was shared by the trade union movement as a whole, and the Government was being warned that it must "watch it."

Next week's debate on unemployment at Brighton will certainly arouse the deepest emotions of the trade union movement. Many motions have been tabled condemning the present position.

A mass lobby of the Congress is being planned for Wednesday with members of the Right to Work Campaign staging a march of unemployed workers from London to Brighton.

● The General and Municipal Workers' Union yesterday demanded immediate Government action to curtail imports of glass from Hungary, Romania, Poland and Czechoslovakia and to direct British Leyland to use only British-made glass for windscreens and windows.

Editorial comment Page 16

Indian Opposition walks out over Gandhi Bill

BY OUR FOREIGN STAFF

INDIAN Opposition parties yesterday made one of their strongest attacks on Mrs. Indira Gandhi's Government, and walked out of Parliament in protest over proposed constitutional changes that would strengthen her grip on the country.

Mr. H. M. Patel, an Opposition spokesman, accused the Government of trying to introduce totalitarian rule in an atmosphere of oppression and fear.

All Opposition members except the Indian Communist Party walked out of the Lok Sabha (House of the People) when Mr. Hari Ram Gokhale rose to introduce the Bill, which further strengthens the power of the Prime Minister.

Mr. Sakab Mukherjee of the Marxist Communist Party of India said: "The main thrust of the proposed amendments . . . is to establish a totalitarian rule of one-party dictatorship under the cover of the Constitution."

The proposals include: Barring India's Supreme Court from hearing petitions challenging constitutional amendments; preventing high courts in the 22 Indian States from hearing cases involving federal laws.

They also forbid strikes in public services and instruct the country's President that he must act in accordance with the advice of the Prime Minister and Council of Ministers.

Reports of yesterday's events were sparse after a Government decision during the day to censor foreign and domestic dispatches about the debate.

Censorship was imposed less than an hour after Mr. Gokhale had told Parliament there were no restrictions on reporting, according to news agency reports.

The country's biggest English-language newspaper chain, the Indian Express group, yesterday failed to work out an agreement with the Government on censorship.

The Express, one of the two national English-language dailies to have expressed mild criticism of Mrs. Gandhi, has suffered heavy circulation and advertising losses since the Government started censoring it two weeks ago.

The Government and the newspaper are to make a further attempt to settle the dispute in the Bombay High Court to-day.

The Opposition MPs said they had walked out because they did not want their presence to give a semblance of constitutional legitimacy to Government moves to "throttle democracy and impose authoritarian rule."

But they have little or no chance of blocking the proposed changes as Mrs. Gandhi's Congress Party has overwhelming majorities in both Houses of Parliament.

Mrs. Gandhi sat through yesterday's onslaught without comment. But Mr. Gokhale denied the opposition's charges that the Bill was being rushed through Parliament or that it would alter the basic features of the Constitution.

The legislation, he said, was only at this stage being submitted for consideration, and even criticism. The opposition were "trying to mislead the people."

Another provision of the amendments is that India would be officially declared a "Sovereign Socialist Secular Democratic Republic."

Central and State Assemblies would be frozen at their present number of seats until the year 2001 and emergency laws now in force would continue indefinitely. These provide for jail sentences for up to two years without charges.

A section dealing with the fundamental duties of citizens provides for conscription in time of war or emergency, and for safeguarding public property.

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Tate extends Manbré offer

BY KEITH LEWIS

THE FIRST closing date on Tate and Lyle's contested £44m. offer for cane sugar refiners Manbré and Garton passed yesterday at 3 p.m. without a decision having been announced by Mrs. Shirley Williams, Secretary of State for Prices and Consumer Protection, as to whether the bid is to be referred to the Monopolies Commission.

Tate said yesterday that it had received acceptances for its 170p-per-share cash offer from holders of only 838,539 Manbré shares—representing about 3.5 per cent. of the equity—and that its offer was being extended until 3 p.m. on Friday, September 10.

Tate said last night that its board was still confident that the bid would be given clearance next week.

It has now been almost a fortnight since the Office of Fair Trading, which advises the Secretary of State on these matters, passed its views to Mrs. Williams. Tate went to great lengths before making its bid approach, to gain approval from the various Government departments involved, but the delay is thought to have arisen because of the considerable opposition to the deal expressed by other parties. Various food federations, breweries and supermarket and confectionery groups sent letters to the Office expressing concern that supplies could become vulnerable if only one cane sugar producer were left in the U.K.

The Manbré defence has focused mainly on the monopoly aspect of the bid. But ten days ago, in a formal defence document, the company forecast that profits for the current financial year would be £10m., and also that there would be a dividend increase from 6.155p to 10p. Tate's counter-document has been prepared and will be released to shareholders, provided Mrs. Williams gives clearance to the bid.

The Manbré share price went ahead 4p yesterday to 162p, while Tate remained unchanged on the day at 230p.

U.K. may make new approach to IMF

BY DAVID BELL

WASHINGTON, Sept. 1.

THE BELIEF that Britain may have to make a new application to the International Monetary Fund was considerably strengthened to-day when the Federal Reserve in New York confirmed that Britain drew about $1.1bn. from the $5.3bn. swap agreement up to June 30. There were no drawings in July.

But the possibility is not excluded that such an application might be accompanied by some form of extension of the standby credit which expires in December.

Some indication of how much of the credits may have been drawn since July may come to-morrow with the publication of the British monthly reserve figures. These may show how much of its own reserves Britain used last month and also the amount of public sector borrowing overseas.

If Britain does apply to the IMF it appears likely, according to these sources, that Fund staff will pay particularly close attention to the growth of the money supply and the rate of Domestic Credit Expansion.

There are indications that the Fund would like to see more detailed British projections of the behaviour of both these indicators over the next year and that it also favours, at the least, the regular publication of targets for both of them. There is also a feeling among some senior staff that DCE needs to be controlled much more tightly than at present.

Pay policy

Beyond this, however, many senior IMF officials concede that Britain is doing, or already has done, many of the things on which the Fund might have insisted had it applied three months ago.

The success of the Government's wages policy is acknowledged and the £9bn. public sector borrowing requirement estimate for the next fiscal year is considered to be more realistic than others in the recent past. But it has yet to be examined in very close detail.

The Fund is also conscious of what it sees as political instability in some parts of Europe and is loth to be seen imposing stringent conditions which could make it more difficult for the British Government to solve its

Continued on Back Page

£ in New York

—	Sept. 1	Previous
Spot	$1.7752-7758	$1.7780-7790
1 month	1.25-1.20 dis	1.22-1.17 dis
3 months	3.42-3.37 dis	3.41-3.36 dis
12 months	12.20-12.10 dis	12.10-11.90 dis

Bullock plans Boards with three groups

BY JOHN ELLIOTT, MANAGEMENT EDITOR

A PLAN for Boards of directors of Britain's 600 biggest companies with more than 2,000 employees to be elected in three sections is being drawn up by members of the Bullock Inquiry on industrial democracy in the private sector.

The idea is that, if a ballot of all the workers in a company came out in favour, representatives of trade unionists and of shareholders would take the two largest equal slices in a single-tier Board structure. They would then together nominate a minority third slice and the members of all three groups would have equal legal responsibilities.

This is the latest view to gain favour among influential members of the committee which is about to begin detailed drafting of its report. It is holding a special two-day week-end session at the Civil Service Staff College, Sunningdale, next month to thrash out the major points.

The Committee intends to present its report to Mr. Edmund Dell, Trade Secretary, before Christmas, which means that the Government is likely to publish it by mid-January.

Progress

No final decisions have yet been taken. The rate of progress at Sunningdale and in subsequent meetings depends to a considerable extent on the views of the three employers' representatives, who could produce a powerful minority report.

They are Mr. Norman Biggs, chairman of Williams and Glyn's Bank, Sir Jack Callard, former chairman of ICI, and Mr. Barrie Heath, chairman of GKN. So far they appear to have broadly gone along with the committee's progressive conversion to the idea of trade union worker representatives, and Lord Bullock, the chairman of the inquiry, has managed to steer discussions away from controversial detail.

However, between now and the end of the year the three employers have to decide whether to fall back on the CBI's firm opposition to the TUC's trade-union-based worker-director idea. That would mean dissenting from much of the report.

Trigger

They are now believed to be discussing future tactics among themselves and with the CBI. One possibility is to go along with the idea of worker directors as a distant possibility but not as an early innovation.

The main stream of the committee's thinking is hardening around a single-tier Board structure with trade unions being given the power to "trigger" a worker-director system. Then all the workers in a company, whether trade unionists or not, would be allowed to vote on whether such a system should be introduced.

If the vote went in favour the non-unionists would in effect become disenfranchised because the worker-directors would belong to trade unions and would be elected only by union members. The idea of involving all the workers in the vote has emerged in the committee's work as a possible compromise between the TUC's claim that the system must be union-based and employers' objections to non-unionists being left out.

It is not yet clear, however, whether this idea will receive full backing from the union leaders on the committee, who include Mr. Jack Jones, of the Transport and General Workers. Their willingness to compromise on this, and on changing the make-up of the Board from their 50-50 policy to the three slices, could change when the Inquiry gets down to detailed drafting.

The idea is that the worker representatives (the word director has been dropped from the Bullock terminology) and shareholder representatives would each have, say, six seats on a 15-man Board and might choose the other three from groups such as existing non-executive directors, non-unionised management, or even a creditor or full-time trade union official.

Balance

The chairman would be drawn from this third slice, which would hold the balance of power between the two larger vested interests.

The TUC representatives on the Committee have been adamant that the proposals should not lead to trade unionists becoming "integrated" into a German-style of co-determination, and the final report may well spell out a need for existing collective bargaining and lower-level participative schemes to be strengthened to back up the worker directors.

The term "representatives" is being favoured by the committee because it indicates that those involved would be accountable to, and would report back to, those people who elect them — the trade unionists and shareholders.

But their legal responsibility would be to the company and there would be no differentiation on this between any of the Board members. The report may also decide to recommend a maximum and minimum size for Boards based on the average of about 15 for large companies.

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LOMBARD

An agreement to waste time

BY GEOFFREY OWEN

THE MAIN purpose of a charade or a farce is to provide amusement to the participants and spectators, usually for a fairly short space of time. For this reason it is wrong to apply either of these terms to the negotiation of planning agreements, tempting though it is to do so. Not only is the process decidedly unamusing for the participants; it also seems to take an excruciatingly long time. It is hard to imagine that the civil servants, businessmen and union officials who are taking part in planning agreement discussions are getting much fun out of it; since the prospects of any tangible benefit at the end of the process are non-existent, the patience of all concerned must be wearing thin.

The only question of interest in relation to planning agreements is when the Government will realise that the whole business is a waste of time and should be terminated before even more people get tied up in useless discussions.

Objectives

Ever since the concept of planning agreements first began to appear in Labour Party documents, there has been confusion about what they were supposed to achieve. Sometimes they have been portrayed as an instrument of industrial democracy, forcing managements to disclose information to their employees and thus to engage in "joint decision-making." Sometimes they have been seen as a device whereby the Government could persuade companies to alter their plans so that they would be more in accordance with the national interest, or at least with the Government's perception of the national interest. Sometimes, more modestly they have been seen as a method of ensuring that civil servants are made more aware of the realities of industrial life.

How this confused jumble of objectives could be brought together in a single document to be signed by all three parties has never been made clear. Certainly there is a case for greater disclosure by companies, but why is a planning agreement necessary for this purpose? It may be right for companies and the Government to know more about each other's plans, short-term and long-term, but these discussions, at any rate with the larger companies, take place anyway; what is discussed could no doubt be written down on to an agreed piece of paper, but the contents are likely to be superficial and woolly.

Part of the trouble is that, like other ideas hatched by the Labour Left, planning agreements have been steadily watered down so that they now bear only a faint resemblance to the original conception. To Mr. Stuart Holland, one of the leading theorists of the Left, the planning agreement system is "a primary means of ensuring a *shift from private domination of* the commanding heights of the economy to a dominance of public accountability and control."

He envisages situations where the Government would "make it plain" to a particular company that it is "failing the nation through inadequate expansion of investment, jobs or exports, inadequate provision for the location of new jobs in areas of employment decline, excessive advertising expenditure or deceptive consumer promotion at the cost of the public and so on." The system, in Holland's view, should be "less than wholly imperative but more than indicative: the Government should employ imperative powers where necessary."

Planning agreements do have a certain logic if they are seen, together with a greatly expanded National Enterprise Board and far-reaching powers of intervention under the Industry Act, as a means of altering the balance of the mixed economy in a fundamental way. The trouble is that the bulk of the Labour Party does not want such a fundamental change. But instead of throwing out the idea, the Party accepts a muddled compromise. Planning agreements, it seems, cannot be dropped from the programme (any more than, say, nationalisation of ship-repairing), however meaningless the concept has become.

Loss of face

These internal bargains within the Labour Party might be bearable if the rest of the country *did not have to be saddled with* the consequences. Since it would involve too much loss of face for Mr. Eric Varley to write off planning agreements, he and his civil servants have to get the show on the road. Since most companies are reluctant to antagonise the Government over what seems a fairly trifling issue, *they are likely to accept,* however reluctantly, the invitation to enter into discussions. The question they should be asking themselves is whether they are "failing the nation" by doing so; until the Government explains, in concrete terms, what benefits will accrue, they should decline to participate and get on *with running their business.*

RACING — BY DOMINIC WIGAN

Owner aims at York double

MR. ROBERT SANGSTER, his trainer Barry Hills and stable jockey Ernie Johnson may well land the two most important races at York to-day with Miellita and Bold Tack.

The first of the pair to run is the once-raced King Emperor filly, *Miellita,* who goes for the six-furlong Tadcaster Stakes (2.35). Backed down from an opening show of 7-1 to 100-30 for the Selsey Stakes *over to-day's* distance at Goodwood a month ago, Miellita never appeared likely to be troubled once she had taken command a quarter of a mile from home.

At the line the Lambourn filly, *who looked considerably less forward* than some of her 16 opponents, had half a length to spare over Wedding Band, with Rheola (who has since finished second to Home Fire at Newbury) another length away in *third place.*

Miellita, who is sure to have derived considerable benefit from her Selsey Stakes run, will probably find another once-raced filly, Caelidh, her most formidable rival. This Silly Season filly, a full sister to Adios, gained many admirers at Ascot six weeks ago when running on strongly to take third place behind Red Letter Day in the Virginia Water Stakes, though not having the best of runs.

The five-year-old *Bold Tack,* who bids to open his account for the season in the British Caledonian Airways Trophy (3.35), has begun to find his form recently, following a disappointing first half to the season. If, as I hope, he returns to his best form of last summer Bold Tack should be capable of giving 10 lb to his solitary rival, the course winner Gracious Melody.

Earlier in the afternoon Gracious Melody's stable companions, Baldur and Noble Game, should both go well in the Rufforth Handicap (2.0), with the first-named likely to come out the better. However, here I do not intend opposing *Empress Regent,* who kept on too strongly for Ardent Portion and Carnlea House over to-day's one-and-a-half-mile trip at Ripon 12 days ago.

Looking ahead to the 200th St. Leger, which is now only nine days away, all the leading bookmakers report good money for General Ironside, who is generally quoted at either 6-1 or 13-2.

Marquis de Sade, bidding to follow up stable companion Bruni's victory of a year ago, heads the market at 11-4. Other prices are: 13-2 Oats, 8-1 Campero and Crow, 9-1 Norfolk Air and Secret Man.

YORK

2.00—Empress Regent***
2.35—Miellita*
3.05—Sovereign Ford
3.35—Bold Tack**
4.05—Scottish Mandate
4.35—Washington Grey

NEWTON ABBOT

2.30—Coolera Prince
3.00—Pluto
3.30—Ballycall
4.00—Ronson Avenue
4.30—Gently Does It
5.00—Scoundrel

Christie's to auction 17,000 cases of Bordeaux

BY EDMUND PENNING-ROWSELL

ANOTHER Bordeaux domaine will avoid the usual trade *channels by offering about 17,000* cases of its wines at a Christie's auction on September 28 and 29, and one of the traditional leaders of the Bordeaux market is disposing of its surplus stocks of wines from 57 châteaux.

The *domaine,* owned by M. and Mme. Jean Cordier, comprises the classed-growth Médoc châteaux of Gruaud-Larose and Talbot in St. Julien, and Lafaurie-Payraguey in the Sauternes. The Bordeaux merchant *is the century-old house of* Calvet, a firm with a large turnover in bordeaux and burgundy wines.

Range

Even by the standards of the huge trade disposals at Christie's since the Bordeaux market *plunged heavily three years ago,* the range of wines offered by Cordier is extraordinary, starting with single and two-bottle lots of 19 last-century vintages of Gruaud-Larose back to 1825, and including 56 vintages of this second-growth down to 1971. The fourth-growth Talbot is to be offered in 27 vintages from 1924 *to 1971, and of Lafaurie-Peyraguey* in 38 vintages from 1900 to 1971.

The *considerable quantities* offered are a measure of the problems facing Bordeaux in the *last few years. Buying, particularly* in the vital export markets, stopped dead.

The house of Cordier has been among the most soundly-based firms in Bordeaux.

The wines from its properties have not been generally offered to the trade there for years, but have passed through agents in *the leading wine centres.* Both the well-kept St. Julien châteaux are among the larger classed-growth producers, and clearly have suffered accordingly.

At Christie's, they will be offering 1,500-dozen bottles and 110 cases of magnums of Gruaud-Larose '70, and 1,500-dozen bottles and 250 cases of magnums of *Talbot* '70. Of the much smaller Sauternes property of Lafaurie-Peyraguey, 204-dozen bottles and 20 cases *of* magnums of the '70 vintage will be auctioned. There are also big quantities of some sixties vintages, including 480-dozen bottles of Talbot '61 and 600-dozen bottles of Gruaud-Larose '66.

The *Calvet sale,* due on September 30, offers a wide range *of wines, all claret save three fairly recent* vintages of Yquem. Nearly all the wines are of classed-growth status, and, though the vintages of the forties and fifties are represented, the bulk of the 7,000-dozen to be offered are of more recent years, *including 150-dozen Léoville-Las-*Cases '66, 225-dozen Cheval-Blanc '67, 207-dozen Calon-Ségur '71, and 99-dozen Yquem '67.

Unresolved

Calvet suffered a devastating fire in its Bordeaux premises in 1966. Its subsequent problems have been aggravated by the still unresolved crisis in the Bordeaux trade.

In the week preceding the three days of auction, Christie's will hold the biggest pre-sale wine tasting in their history, with their Great Rooms given over to more than 200 wines. Although the quantities involved are more likely to interest trade, especially foreign buyers than private purchasers, the latter will be able to sample the huge range. Those who complete the course may need aid in descending the broad *staircase to King Street.*

APPOINTMENTS

Mr. Roxburgh joins GEC

Mr. A. Roxburgh, assistant managing director of GEC Switchgear, has been appointed assistant technical director (engineering) of the GENERAL ELECTRIC COMPANY. *In this capacity he* will be closely associated with the company's power engineering activities, including the laboratories.

★

P. S. MOSSÉ AND PARTNERS *announce the formation of P. S.* Mossé Insurance Brokers, who will handle general insurance business. The directors of the company are Mr. Peter Mossé (chairman), Mr. Roger Macey (managing), Mr. Jonathan Williams, Mr. Alan Collins and Mr. David Reoch. Also announced is the formation of P. S. Mossé Life and Pension Consultants, and the directors of this company are *Mr. Peter Mossé* (chairman), Mr. Stuart Dicks (managing) and Mr. Martin Pettman.

★

Mr. P. J. Hewett has been appointed commercial director of METAL BOX PACKAGING, a wholly-owned subsidiary of Metal Box.

★

Mr. J. K. McMillan has been appointed sales director of RYDER MANUFACTURING.

★

Mr. Leslie Thompson, chief accountant and company secretary of GOLDEN PRODUCE, the Fitch Lovell subsidiary, has been appointed financial director on the Board of the company.

★

HALIFAX BUILDING SOCIETY announce that Mr. Mark Ralph Cornwall-Jones, who holds a number of directorships in other *companies, has been appointed to* the London Board of Directors.

★

Mr. J. F. Dowzall has joined HOLLIS BROS. AND E.S.A. as group secretary. Mr. Dowzall was previously with the Fisher-Thompson Group.

★

Mr. F. G. Bennett, of the Electrical Contractors Association of *Scotland has recently* retired as the first chairman of the EIIL Committee. Mr. J. A. Robbins of the Electrical Installation Equipment Manufacturing Association is the new chairman, and Mr. G. J. Hughes deputy marketing adviser to the Electricity Council becomes the new vice-chairman.

★

Mr. R. C. Sutton has been appointed executive vice-president of Jardines' Hawaiian subsidiary THEO. H. DAVIES. Until this appointment, Mr. Sutton was a director of Jardine Matheson *(South East Asia) and managing* director of Jardine International Petroleum.

★

Mr. E. T. Springall has been made a director of P. P. PAYNE, a member of the Norcros group. *He joined the firm in 1952,* as London sales representative. Formerly Strapping Division's marketing manager, he is now responsible for sales, marketing and production.

★

Wigham Poland Group has announced the apopintment of Mr. Bryan T. Coates to the Board of WIGHAM POLAND HOME LTD.

★

WESTERN MINING CORPORATION states that Mr. K. F. G. *Parry,* a director of the company and presently general manager—W.A., has been appointed director of operations.

★

Mr. D. A. Hopwood has been appointed a director of R. K. HARRISON, J. I. JACOBS (INSURANCE).

★

Mr. R. G. Sturgeon has been *appointed a director of* STEWART WRIGHTSON (U.K.) a member of the Stewart Wrightson Insurance Group.

★

Mr. D. A. Butcher has been appointed an assistant director of ANTONY GIBBS AND SONS.

★

Encik Rahim Aki has been appointed a director of the LONDON TIN CORPORATION.

★

Mr. J. Dawson has been appointed secretary of F. H. LLOYD HOLDINGS. Mr. I. W. Ward, previously director and secretary, becomes finance director. Mr. Dawson has been chief accountant with the group's subsidiary, *F. H. Lloyd* and Co.

★

Mr. T. Weatherby has been appointed a non-executive director of SIMON ENGINEERING.

★

Mr. J. A. Rodgers has been appointed to the Board of STAG FURNITURE HOLDINGS. He is currently deputy chairman of Ciba-Geigy (U.K.).

★

Mr. John Black has been appointed a director of CHARLES BARKER ABH INTERNATIONAL, the part company of the Charles Barker agency group. On the *same date he will become chairman* of Charles Barker Black anad Gross, succeeding Mr. Kyrle Simond, the group chairman. Mr. Peter Gross remains chief executive of Charles Barker Black and Gross.

★

Mr. Henry Tomlinson has been appointed assistant director, manpower services, ENGINEERING EMPLOYERS' FEDERATION. He joins the Federation from the British Steel Corporation where as divisional manager, he was re*sponsible for setting up a new* education, training and staff development function.

★

Leyland Special Products has announced the following new Board of its group member company, GOODWIN BARSBY: Mr. G. M. Warren (chairman); Mr. D. E. Wilde (managing director); Mr. D. H. Allam *(sales director);* Mr. G. A. Bench *(works director);* Mr. F. Hobson (technical director); Mr. P. J. Jennaway *(finance director/secretary);* and Mr. J. D. Abell *(managing director Leyland* Special Products).

★

Mr. John H. Mills has arrived in London to take over as vice president and manager of the London branch of SEATTLE FIRST NATIONAL BANK.

★

Mr. J. Heads has been appointed managing director of S. AND A GEOPHYSICAL and S. and A Geophysical (International) following the resignation of Mr. D. S. Seabrooke.

TV/Radio

BBC 1

† *Indicates programme in black and white*

7.05 a.m. Open University (UHF only). 9.40 Dastardly and Muttley. 9.50 Jackanory. 10.05 Devlin. 10.30 Roobarb. 10.35 The Boy From Lapland (part 5). 1.05 p.m. On *the Move.* 1.15 *News.* 1.30 Bagpuss. 4.23 Regional News (except London). 4.25 Play School. 4.50 It's the Wolf. 4.55 Here Come the Double Deckers (part 5). 5.15 Dan Gibson's Nature Family. 5.40 Magic Roundabout.

5.45 News.
6.00 Nationwide.
6.50 Bellamy's Europe (part 9).
7.20 Top of the Pops.
8.00 Happy Ever After.
8.30 The Risk Business.
9.00 Nine O'clock News.
9.00 News
9.25 Sailor (part 5).
9.55 Play for To-day.
11.45 *Weather/Regional News.*

All Regions as BBC 1 except at the following times:—

Wales—5.15-5.40 p.m. Billidowcar. 6.00-6.50 Wales To-day. 6.50-7.20 Heddiw. 11.45 News and Weather for Wales.

Scotland—6.00-6.50 p.m. Reporting Scotland. 11.45 News and Weather for Scotland.

Northern Ireland—4.23-4.25 p.m. Northern Ireland News. 6.00-6.50 Scene Around Six. 11.45 News and Weather for Northern Ireland.

England—6.00-6.50 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day *(from Birmingham);* Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South-West (from Plymouth).

BBC 2

6.40 a.m. Open University.
11.00 Play School.
5.00 p.m. Open University.
7.10 Animal Logic.
7.30 News on 2.
7.45 Word of Mouth (part 5).
8.15 See: Creatures among the coral reefs.
8.30 *Chronicle:* archaeology on television.
9.25 Pasadena Roof Orchestra.
9.55 Inside Story: A Queen's Pardon.
10.45 Network: Kenneth Griffith returns to Tenby.
11.15 Newsnight.
11.25 Closedown: Richard Pasco reads "Counting the Beats" by Robert Graves.

LONDON

10.00 a.m. A Diary of Civilisations. 10.50 Cartoon Time. 11.00 The *Amazing World of Kreskin.* 11.25 Skippy. 11.50 Cartoon Time. 12.00 Animal Kwackers. 12.10 p.m. Rainbow. 12.30 Trash or Treasure. *1.00 First Report: News* with Leonard Parkin. 1.20 Lunch-time To-day. 1.30 Marked Personal. 2.00 The Best of Good Afternoon. 2.30 Mid-week Racing from York. 3.50 Emmerdale Farm. 4.20 Children's Film Matinee: Richard Greene, Peter Cushing in "Sword Of Sherwood Forest."

5.45 News from ITN.
6.00 To-day.
6.35 Crossroads.
7.00 The Bionic Woman.
8.00 The Tommy Cooper Hour.
9.00 This Week.
9.30 The Howerd Confessions with Frankie Howerd.
10.00 News at Ten.
10.30 Shaft.
11.55 What the Papers Say.
12.10 a.m. Close: Steve Turner reads his poems.

All ITV Regions as London *except at the following times:—*

ANGLIA

10.35 a.m. Another Chance. 11.30 Recreation and Interests. 1.25 p.m. Anglia News. 2.00 Women Only. 4.20 The Romper Room. 4.45 Anita in Jumbleland. 5.15 Follow That Dog. 6.00 About Anglia. 6.20 Arena. 10.30 "The Power of Fear", starring Don Murray and Shirley Knight Hopkin. 11.00 Tandarra. 12.00 a.m. A Big Country. 12.30 The Living Word.

ATV MIDLANDS

†10.30 a.m. Film Fun. 1.20 p.m. ATV Newsdesk. 4.20 The Lone Ranger. 4.45 The Time Tunnel. 6.00 ATV Today. 7.00 Survival Special. 10.30 Gardening Today. 11.00 *The Prisoner.* 12.00 a.m. Father Paschal talks about "A Third Eye".

BORDER

10.40 a.m. Another Chance. 11.30 Recreation and Interest. †1.20 p.m. Border News. 2.00 Women Only. 4.20 Tarzan. 5.15 Skippy. 6.00 Border News and Lookaround. 7.00 Movin' On. 10.30 Gardening Today. 11.00 Police *Story.* †11.55 Border News and Weather.

CHANNEL

†1.20 p.m. Channel Lunchtime News. 4.20 *The Beachcombers.* 4.50 The Time Tunnel. †6.00 Channel News. †6.10 The Doris Day Show. 7.00 The Magician. 10.00 News at Ten followed by Channel Islands Weather. 10.30 The Playwright. 11.00 Dan August: Murder by Proxy. †11.55 News and Weather in French.

GRANADA

9.30 a.m. Sesame Street. 10.25 Wind in the Wires. †10.45 Holiday Matinee. 1.20 p.m. Take Kerr. 4.20 Tarzan. 5.15 Crossroads. 6.00 Granada Reports. 6.35 Lucky Feller. †7.05 Perry Mason. 10.30 Maude. 11.05 Mystery Movie: Madigan.

HTV

10.35 a.m. Another Chance. 11.30 Recreation and Interests. 12.30 p.m. Angling To-day. 1.20 Report West Headlines. 1.25 Report Wales Headlines. 2.00 Women Only. 4.20 The Woody Woodpecker Show. 4.45 Fantastic Voyage. †5.15 Chuckleheads. 5.20 Crossroads. 6.00 Report West. 6.15 *Report Wales.* 6.30 Trash or Treasure. 10.30 Item.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 4.20-4.45 Bic Yn y Byd. 6.00-6.15 Y Dydd.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.15-6.30 Sport West.

SCOTTISH

10.30 a.m. The Sweet Sugar Doughnut. 10.40 Another Chance. 11.30 Skilful Rugby. †1.25 Road and Weather Report. 2.00 Women Only. 3.50 Emmerdale Farm. 4.20 Tarzan. 5.15 Kirl. 5.20 Crossroads. 6.00 Watch This Space. 6.30 Garnock Way. 10.30 Festival '76. 11.00 Late Call—Rev. David Graham, Anderston Church, *Glasgow.* 11.05 The Odd Couple. 11.35 Between The Lines. 11.50 Summer Gardening.

SOUTHERN

10.35 a.m. Hammy Hamster. 10.40 Another Chance. 11.30 Recreation And Interests. 1.20 p.m. Southern News. 2.00 Houseparty. 2.25 Daffy Duck. 4.20 Betty Boop. 4.25 *Born Free.* 5.20 *Crossroads.* 6.00 Day by Day. 6.30 Police Surgeon. 10.30 The Judge and Jake Wyler. Movie starring Bette Davis. 12.20 a.m. Southern News Extra. 12.30 Weather followed by Cancer and the God of Love.

TYNE TEES

10.20 a.m. Starting Point. 10.35 Another Chance. 11.30 Skilful Rugby. 1.20 p.m. North East News and Lookaround. 2.00 Women Only. 4.20 Little Rascals. 4.45 Animated Classics. 7.00 Survival Special "Eagle Come Home." 10.30 Home Brew. 11.00 Dan August. 11.55 *Epilogue.*

ULSTER

10.40 a.m. Black Water, Bright Hope. 11.30 Skilful Rugby. 1.20 p.m. Ulster News Headlines. 3.48 Ulster News Headlines. 4.20 Follow That Dog. 4.45 Tarzan. 6.00 UTV Reports. 7.00 Emergency—Botulism. 10.30 What's It All About? 11.00 Of Men And Women.

WESTWARD

10.35 a.m. Another Chance. 11.30 Recreation And Interests. 12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 4.20 The Beachcombers. 4.50 The Time Tunnel. 6.00 Westward Diary. 7.00 The Magician. 10.30 The Playwright. 11.00 Westward Late News. 11.03 *Dan August.* 11.55 Faith For Life.

YORKSHIRE

10.00 a.m. A Crowning Achievement. 10.20 *Journal.* 10.35 *Ed Allen* Time. 10.55 Felix The Cat. 11.05 Breaktime. 11.35 Woobinda. 1.20 p.m. Calendar News. 4.20 Thunderbirds. 5.20 Elephant Boy. 6.00 Calendar (Emley Moor and Belmont editions). 7.00 Survival Special. 10.30 Pro-Celebrity Snooker. 11.00 Police Story.

RADIO 1 — 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 11.00 David Hamilton with the Radio 1 Roadshow from Deal. 12.30 p.m. Newsbeat. 12.45 Paul Burnett. 2.02 Ed Stewart (S) (also on VHF). 4.30 It's D.L.T. OK! 5.45 Newsbeat. 6.02 Sam Costa (S) (joins Radio 2). 11.00 *John Peel (S)* (also on VHF). 12.00-12.05 a.m. As Radio 2.

RADIO 2 — 1,500m and VHF

[illegible]

RADIO 4

[illegible]

RADIO 3

[illegible]

... Financial Report. VHF Regional News. 5.55 Weather. 6.00 News. 6.15 Dad's Army. 6.45 The Archers. 7.00 News. 7.05 The World in Focus. 7.30 28 Years of Any Questions. 8.00 In Our Time: James Cameron's account of post-war years (part 1). 8.45 Billion Dollar Baby: The Fiesta: car's conception and development. 9.30 Kaleidoscope. 10.00 *The World Tonight.* 10.45 A Book At Bedtime: "The Invisible Man" (part 9). 11.00 The Financial World Tonight. 11.15 Never Go Back? 11.30 News.

BBC Radio London

206m and 94.9 VHF

[illegible]

London Broadcasting

261m and 97.3 VHF

[illegible]

Capital Radio

194m and 95.8 VHF

[illegible]

F.T. CROSSWORD PUZZLE No. 3,172

ACROSS

1 Finicky eater needs keeping up by the timid (6)
4 He sings praises of old-time music hall artist (8)
8 Do students before operations come out in lumps? (7)
9 How team came to border (7)
11 Misers fleece Welsh county (10)
12 First-class testament isn't Cockney (4)
13 Mother's leading a unit of African tribe (5)
14 Pennine Way could be the A1 (4, 4)
16 Cosher on wrecked ship (8)
18 Anything a thug could make (5)
20 Post giving Frenchman trouble (4)
21 Impulsive quality to suit plenty (10)
23 Complaints about bedding (7)
24 Famous ram made to rise suddenly (5, 2)
25 Divers find heavenly body boring (6)
26 Confused when a divine went in front (6)

DOWN

1 Put down wine (5)
2 State of America objects by first of month (7)
3 Act making schoolboy prematurely old (9)
5 Gather there's a service (5)
6 Hopelessness wrongly praised (7)
7 Unwanted underground worker in Moscow (9)
10 Loner with job of securing boat? (9)
13 *Science for craftsmen* (9)
15 Arranged by degrees to have passed out (9)
17 Paintings family makes waterproof (7)
19 Maid-of-all-work is not specific (7)
21 Punishing magistrate with better weather (5)
22 Channel impossible to criticise (5)

Solution to Puzzle No. 3,171

ENTERTAINMENT GUIDE

هكذا من الأصل

Lyceum, Edinburgh

Bunraku

by B. A. YOUNG

Bunraku is the art of the National Puppet Theatre of Japan, based in Osaka, the traditional home of Japanese puppetry.

The puppets are about one-half life-size, beautiful little figures dressed with all the splendour of the Japanese theatre. Male puppets are operated by three men; the leader works the head, the eyebrows and the right arm, his assistant works the left arm and the body, and a third operator controls the legs. Female puppets have no legs, and may therefore be worked by two. There are also some less elaborate puppets for bit parts which need only one.

The stage presents only the action of the plays. The story is read from a book by a *joruri* reciter at the side of the stage, and he is accompanied by a player of the shamisen, a banjo-like instrument with three strings. On the stage the puppets are taken through their parts with the operators in full view. In the Japanese theatre, however, anyone dressed in black is invisible, so although there may be as many as 15 puppet-workers and stagehands on stage, to a devotee no one is to be seen bar the characters of the story.

And in my experience it is true that, after a bit of practice, this is so. At the Lyceum I was sitting in the circle, which is not an ideal place to watch *bunraku* theatre from, since too much of the works is showing; none the less, by the time we had reached the story of the Double Suicide in the Tenjin Woods in the second half of the programme my attention was confined to the dolls, and how they were manipulated was no longer of concern to me.

The two tales in the company's first programme are both by the master Chikamatsu Monzaemon (1653-1725). The first of them deals with the fate of an exiled priest who gives up his chance of rescue in favour of a woman; the second with an ill-starred love affair ending in suicide. Even if I could, I wouldn't tell the stories in detail; for British viewers the pleasure is in the beauty of the dolls and the scenery and the subtle skills of the operators.

Though there are moments of big dramatic impact, such as the arrival of the ship in the first play, and the moment at which the priest Shunkan snatches the sword from the scabbard of his adversary, some of the quieter moments are equally impressive, the little movements of the head of a weeping woman, for example.

In the final scene of the suicide play, there are two *joruri* reciters, speaking and singing, sometimes in turn and sometimes together, and three shamisen players; also the principal operator of each doll is allowed to show his head instead of cloaking it in a black mask.

Bunraku got its name from the family of Bunrakuken in the early 17th century, and the company that is now the National Puppet Theatre stayed in the hands of their descendents until 1909. The theatrical company that then took them over found public interest so much on the decline that nationalisation was the only way to keep the art going—a sadly familiar story to Western ears.

Amanda Waters and Dean Harding in " Wild Beast of London " which opened last night at the Cockpit Theatre

Terry Kirk

Albert Hall/Radio 3

Weber and Wagner

by ELIZABETH FORBES

On Tuesday Colin Davis brought the Orchestra of the Royal Opera House, Covent Garden, to the Albert Hall for a Prom that commemorated both the 150th anniversary of the death of Weber and also the centenary of Wagner's *Ring*. As bleeding chunks of Wagner are no longer considered the thing these days, the only music by the master of Bayreuth so far heard at the Proms this year has been the *Siegfried Idyll*, a fortnight ago. Covent Garden, about to stage a complete *Ring* cycle later this month, offered a trailer last night in the form of Act I of *Die Walküre*.

The orchestra, as if glad to escape for once from the confines of a theatre pit, was in excellent shape. The lower strings, the cellos in particular and the section leader Rowena Ramsell in her solo most especially, played with a warmth and vibrancy that beautifully evoked the instantaneous love blossoming between the Wälsung twins, Siegmund and Sieglinde. The brass too, rang out in mellow tones—the trombones' first hint of the Valhalla motive as Siegmund speaks of his father provided a magical moment. The storm that opens the opera could have been more violent, but Mr. Davis shaped the act as one whole movement very skilfully, so that tension mounted slowly but *inexorably* to the final climax.

The singers were familiar from performances at Covent Garden. Richard Cassilly brought so many sterling qualities to his Siegmund—dramatic involvement, fine diction, intelligent phrasing and untiring energy—that it seemed ungrateful to ask for rounder, more resonant and ingratiating tone as well. As Sieglinde, Marita Napier, her vocal line a little unsteady at first, got really into her stride with "Du bist der Lenz" and produced some impassioned singing with thrilling notes at the top of her voice. Aage Haugland made an impressive Hunding, his black-toned, velvet-textured bass sounding almost too heroic for that unpleasant character.

In the first, Weber, half of the programme, Mr. Davis conducted an expansive account of the Overture to *Oberon*, reminding us (rather unkindly) of the musical beauties of an opera written for Covent Garden that should by rights have been revived there this year in celebration of its 150th birthday. Then Howard Shelley played the *Konzertstück* in F minor, quite properly treating the piece not as a full-flown, 19th-century piano concerto, but as a wonderfully romantic tone poem in which the tale of a returning Crusader that inspired Weber was illustrated in fresh, clear, pastel colours.

Phyllis Calvert, Rosalie March, Joseph Blatchley and Nigel Patrick in Denis Cannan's " Dear Daddy " which opened last night at the Oxford Theatre Festival

Record Review

Two American operas

by MAX LOPPERT

Joplin: Treemonisha. Balthrop, Allen, Rayam, White, etc./Orchestra and chorus of original production/Schuller. DG 2707 083 (2 records) £7.18 Cassette £7.38

Moore: The Ballad of Baby Doe. Sills, Cassel, Bible, Hecht, etc./New York City Opera Orchestra and Chorus/Buckley. DG 2709 061 (3 records) £10.77

In the *full* and *lavishly* decorated (if not always very concise or pointful) booklet that accompanies the recording of Scott Joplin's *Treemonisha*, the Joplin enthusiast, editor and publisher Vera Brodsky Laurence chronicles the story of the composer's obsessional attachment in the last decade of his life to his only opera, and his desperate attempts to have it staged. It makes sad reading. (A single desultory read-through at a Harlem rehearsal hall in 1915 was organised and paid for by Joplin himself; two years later he was dead in a state asylum.) Until a 1972 concert performance, prompted by renewed interest in Joplin and the rag, it was left unread and unconsidered; on the successful Houston first stage production of 1975, later transferred to New York, the new recording is based.

Treemonisha soon confounds—and, it must be admitted, at first *disappoints—expectations*. If the imagination could conceive, and flesh out, an opera written by the syphilitic black composer of books of infinitely subtle and rhythmically delicate piano rags, it would hardly be the work heard on the DG album. For one thing, only three short numbers in a work occupying four sides are rags: the spirited and perky "We're goin' around," "Aunt Dinah has blowed de horn," and the final apotheosis of Treemonisha as she becomes leader of the plantation village, "A real slow drag." Exhilarating, toe-tapping they are—but the rest of this "number" opera is a mixture of musical styles as curious, ill-balanced and sometimes quaintly appealing as Joplin's own libretto, with its heroine found in a tree, educated and now 18 years old, who shoos black ignorance and superstition out of the neighbourhood.

Alongside the hymn-tune-type sequences, four bars' square, there can be found slow, courteous operetta duets in waltz-time, vocal writing that leans now to Stephen Foster, now to Gounod and now to Weber, a curious half-spoken and half-infectionless kind of recitative—and a general air of *throw-it-into-the-pot* that at its best manifests fragile charm. Sometimes the naiveté of the dramatic technique is so patent, the sense of theatre so remote (as in several numbers at least three verses too long), that the pace slows down to boredom level, and one wonders whether the revival was not an act of self-deluding piety. And yet the tunes stay, oddly and persistently, in the memory.

Gunther Schuller, conductor and tactful instrumenter of the piano score Joplin nearly bankrupted himself in having published, describes *Treemonisha* as "one of those wondrous *sui generis* creations which our musical culture occasionally produces . . . a curious alchemical mixture which would certainly *have failed in the hands of a* lesser talent than Joplin's." A possibly too kindly, but certainly perceptive account of an intriguing work. The performance, obviously authentic, is charged with a commitment that makes up for one or two rather ropy voices among the soloists. The heroine, Carmen Balthrop, young-sounding, fresh and captivating of tone not always perfectly secure in placing, has just the right wide-eyed sweetness. *Treemonisha* is worth investigation.

That American opera is a field riddled with question-marks and problems—problems of identity, of the proper territory to be charted when the popular musico-dramatic forms have at their best achieved such striking *security of purpose* and breadth of expression—was a persistent reminder during hearings of *Treemonisha*. It returned, inescapably, during Douglas Moore's *The Ballad of Baby Doe, one of* the few American operas to win, since its first performance in 1956, something like native popularity. A dramatic narration taken from events of American mining history, *Baby Doe* tells the tale of the romance between Elizabeth "Baby" Doe and Horace Tabor, the Colorado silver millionaire whose obstinate belief in the power of silver brought about his eventual ruin and then death to his second wife (she froze to death; in 1935, in a shack beside Tabor's abandoned silver mine, the Matchless Mine).

From such colourful material Moore and his librettist John Latouche have made an entertainment that is an infinitely more certain and sophisticated stage structure than Joplin's—smooth in its succession of storybook scenes, approachable in its idiom of "vernacular" period tunes and rhythms, varied and determinedly lively. It offers three star parts set in a galaxy of "cameos": a sweet, seductive high soprano to carol above the stave as Baby Doe; a firm, robust, mature baritone and brashly engaging presence for Horace Tabor; and, as Augusta, Tabor's embittered, abandoned first wife, a meaty dramatic mezzo—strongly taken here by Frances Bible. More important, it crafts, out of authentic Americana, a myth that is at once bright and unchallenging, a once-upon-a-time fable undisturbed by provoking ironies or operatic experiments. On its own level, it works.

The trouble is that that level lies so low as to be almost beneath serious consideration. It is not the self-conscious yet somehow secondhand tunefulness-at-all-costs of the score that prompts growing irritation (the chunks of ragtime, numbers built on hillbilly song, churchy choruses, sugary love duets, and so on), so much as the almost complete failure of the composer to establish any solid musical foreground against this local-colour background, *to promote* any sense in the listener that there is more to the enterprise than pastiche, brashly orchestrated. *Baby Doe* inhabits an artistic no-man's-land—lacking the sustained high style of operetta, the verve and bite of the musical, and the purposeful drawing together of forces of opera. It is not a substantial opera, and, certainly, not a serious or worthy American opera. Compared with its easy, cosy evasiveness and showy period plumes, a musical like *Gypsy* seems a Wolf song of pithiness, subtlety and sharply directed aim.

The recording, made in 1958, boasts another well-lived-in performance, with players of vitality and experience (all from the original casts or early revivals of the opera), and a smell of the stage about the whole production. I first encountered the set ten years ago—it was an American import then—when the name Beverly Sills was beginning to be heard internationally; and felt even then, as I do now, that in this exhibition of a young, well-equipped voice there were already traces of wiriness at points in her compass. But the *glamour, the intelligent acting*, the emanation peculiar to a "special" performer, were qualities already present—with her on stage, the role of Baby Doe might well seem *less one-dimensional*. But, then, the stage probably fills out the insubstantiality of the whole opera.

BBC TV music and arts autumn plans

An opera, ballet or concert every Saturday on BBC-2 is part of the new arts policy on BBC TV this autumn, announced by Humphrey Burton, Head of BBC TV Music and Arts Programmes. The new pattern, with performances on Saturdays and documentaries on Sundays, starts on Saturday, September 18 and will be presented under the umbrella title of *The Lively Arts*.

The Saturday-night series will be called *The Lively Arts In Performance* and will be presented by Robin Ray. It begins on Saturday September 18 with the two-hour long gala concert which celebrated the Harold Holt Centenary last month. *Coppélia*, in a new French TV production by Roland Petit, starring Karen Kain as well as Petit himself, is the second *In Performance* (on September 25), followed on October 2 by Claudio Abbado conducting the *La Scala Orchestra* in Rossini's opera *The Barber of Seville* with Teresa Berganza and Hermann Prey. This production by Jean-Pierre Ponnelle will also be heard by *Radio 3* listeners in stereo as part of Radio 3's 30th Birthday celebration.

The new *Lively Arts* documentaries and features series on Sundays begins on September 19 with six programmes from the *2nd House* team presented by Melvyn Bragg (with Bill Morton and Tony Cash as editor and assistant editor). They include a portrait of the best-selling author James Herriot, a profile of the rock star Rod Stewart, a portrait of the American playwright Tennessee Williams, a visit to Los Angeles to meet Dick Clement and Ian La Frenais, co-authors of *Porridge* and *The Likely Lads* and now writing for American television, and a profile (with dramatised illustrations) of the South African author Nadine Gordimer.

These will be followed by a series of music documentaries.

Edinburgh Festival

Gewandhaus Orchestra

by RONALD CRICHTON

The second week of the ever-generous Festival finds two of the most famous and historical orchestras from German-speaking lands sharing the Usher Hall with the London Philharmonic and the Scottish National Orchestra. The Vienna Philharmonic gives three concerts, two under Abbado, one under Bohm. But *first it was the turn of a less-*frequent visitor, the Gewandhaus Orchestra from Leipzig. Their concert last night, the second of two, was conducted by Kurt Masur, their chief conductor since 1970. Each programme contained a work from beyond the curtain—Shostakovich on Monday, Szymanowski last night.

The Polish composer's Second Violin concerto, though it made a rare appearance in London last season, is less potentially popular than its *luscious, strangely* neglected predecessor. But though the soaring melodic flights of the first concerto may be lacking, so is the indulgently rhapsodic aspect. The second is more tightly organised, in two movements linked by a big cadenza that sound and indeed is so organically a part of the music that it comes as a surprise to be reminded that it was the work (under Szymanowski's supervision) of the Concerto's *first player, Paul Kochanski. The* soloist this time was Wanda Wilkomirska, who felt her way sensitively (though her intonation in the first movement was not always reliable) through the violin's labyrinthine paragraphs.

The glory of the evening, however, was a noble performance of the 7th symphony of Bruckner. In this the sterling qualities of the Gewandhaus players were admirably displayed in a reading utterly without pomposity or inflated sentiment yet tonally of a splendour that will not soon be forgotten. This orchestra is obviously at home in the Usher Hall, a traditional-type auditorium perfectly suited to the weight, *of the Leipzig strings*, striding with absolute security and evenness up and down Bruckner's giant arpeggio phrases, to the woodwind individually unsophisticated by our standards but splendid as a choir, to the brass (Wagner tubas of course included) so firmly and sonorously contained. In the finale Masur's normally discreet tempos went a little over calculated and finicky. Any slight sense of anti-climax was *soon erased however*, by a heart-warming *Meistersinger* overture given as an encore in response to a long ovation.

Book Reviews are on Page 23

Jeannetta Cochrane

Stag Night

by MICHAEL COVENEY

The scene of Willis Hall's gentle comedy for the National Youth Theatre is a church hall where the lads are assembled for Smithson's stag night. It is a disaster-ridden occasion, from the moment the limb-stretching vicar clamps down on chips with the chicken to the final straw when the assembled unfaithful throw a well-rehearsed punch-line in the *face of a struggling* comedian. In between, the male bastion is infiltrated by a couple of girls, one of whom is a non-stop chatter-box, the other a *dab hand* with the lighting board; and only one, fat middle-aged stripper turns up, to be stopped on the brink by the discovery of her pimply son lurking *behind the beer bottles*.

There is plenty of good detail in the playing of Barrie Rutter's production: Tim Spall's Sammy *Sunshine, reduced to Bruce* Forsyth catch phrases and a desperate attempt to awaken the ghost of Max Miller with the voice of Max Bygraves, is a *careful study in professional failure:* Hilary Jones's plump stripper ("She's not a turn, she's a senior citizen") commands the stage with fearful fluttering ease; and Alan Turton, as the dejected Smithson, is consistently sympathetic in stemming the orchestrated expressions of dissent and disappointment as the evening collapses slowly around him.

One suspects, however, that there is a strong middle-aged voice yearning to assert itself in *all this, a suspicion confirmed* when the comedian and the stripper play the best scene of the play backstage of the main action, referring their respective situations to a canvas of lost opportunities and domestic upheaval. That resonance is lacking in the rest of the play, and for too long we listen to admirably written dialogue flapping inconclusively around a static stage picture. Some of the ensemble grace notes are unconvincing, too: would a coloured lad *really seize* his chance on the platform with a chorus from Gilbert and Sullivan? Would the comedian's first bad joke really be hailed with a derisory parody of Leslie Sarony? At such moments one feels that Mr. Hall is investing his young characters with a cultural heritage they would have *long since disowned*.

That said, one wonders where else in the country, where else but under the auspices of the NYT, would so carefully constructed and elegiac a vehicle be found for the cohorts of stage-struck youngsters who, for the rest of their school careers, must be satisfied with indifferent productions of Shakespeare and Sheridan, Osborne and Bolt.

The central economic motive for the stag night is to raise *funds for the football team's* forthcoming trip to Amsterdam; we hear less of the traditional cry for the blacking of the host's genitals, that terrible ceremony *conducted on a beer-sodden stage* to the accompaniment of yahoo braying. The play never gets that far, and it is Mr. Hall's creditable achievement that he *defines his area of interest from* the outset and sticks to it doggedly until the final curtain.

Young conductors' contest

The Rupert Foundation has announced the final list of 22 candidates who will contest the third competition for young conductors, organised in association with the BBC. More than 300 inquiries were received from all over the world, from which the 22 outstanding applicants were chosen. Eleven nationalities will *be represented during the com*petition to be held in London from September 27 to October 1.

The competition is open to conductors of any nationality *aged between 20 and 28 and* offers the winner a bursary and travelling allowance of £5,000.

The preliminary stages will be held at The City University on September 27. The intermediate stages will be held on September 28 and 29 at a BBC studio in Maida Vale. The two finalists will conduct at a public concert on October 1 at Fairfield Halls, Croydon, one conducting Beethoven Symphony No. 1 and the other Beethoven Symphony No. 8 in the first half. *Sir Charles* Groves will conduct Elgar's *Enigma Variations* in the second half, while the adjudication is taking place. The winner will *be announced at the end of the* concert, which will be broadcast live by BBC Radio 3, and on BBC Television on December 5.

WORLD TRADE NEWS

IN BRIEF

£20m. plant order for Britain

Ruston Gas Turbines, the Lincoln-based turbomachinery manufacturer and its American subsidiary Ruston Gas Turbines, have won an order with $37m. (£20m.) for 28 4,000 hp Ruston gas turbine driven centrifugal gas compressor sets.

The sets are for gas gathering in the Ahwaz Field, South Iran, for transmission to and use as feedstock in a perto-chemical complex being constructed at Bandar-E-Shahpur in The Gulf.

The order is regarded as an important breakthrough for the company in a growth market and was won against strong competition. Delivery of the gas turbines will begin in October of this year and be completed in May 1977.

The contract brings the total number of Ruston gas turbines installed or on order for Iran to over 200.

Daimler-Benz growth

Daimler-Benz AG has become the world's biggest motor manufacturer outside the U.S. following "dynamic and uninterrupted" growth in the past decade, according to the U.S. business magazine Fortune.

With sales of $8bn., assets of $2.7bn. and net income of $126m., Daimler-Benz is put ahead of Renault, Volkswagen, Toyota, Nissan, Fiat—and British Leyland.

Fire vehicle orders

Export orders worth £685,000 for fire-fighting vehicles to be sent to Cyprus and Iraq have been won by Merryweather and Sons, the fire-fighting engineers, which is part of Siebe Gorman Group. The orders consist of a 100 foot electro hydraulic turntable ladder and three airport crash tenders for Cyprus, and four large water tenders and six foam tenders for Iraq.

Textile controls

Hong Kong is to join the ranks of major textile and apparel exporting countries that will need special export controls to prevent the trans-shipping of their products to the U.S. market through third countries.

Similar "export visas" for entry into the U.S. already are required for textile and apparel imports from South Korea, Taiwan, Portuguese Macao, India, Pakistan, Mexico, Brazil, Colombia and Japan either for all textile products or for certain categories of such goods.

U.K. plant for Russia

Newell Dunford Engineering, a Dunford and Elliott company, has won a £200,000 order from Russia for an aluminium recovery plant. The order follows persistent efforts to sell equipment to Comecon countries.

Nippon in Abu Dhabi

Nippon Electric has received a Y3.5bn. order for a communications satellite station for Abu Dhabi. The station is scheduled to be completed in January 1978, the company said.

Nigerian expansion

The Bridon Group said yesterday that the Board of Nigerian Wire Industries, its associated company based in Ikeja, has approved a £6.5m. expansion programme for 1976-77 which will double the capacity of the company's mild steel wire production plant up to a total of 50,000 tonnes.

Iran rail bid

India Railways are negotiating with Iran's State railways a turnkey contract for laying about 500 kilometres of track between Kerman and Zahedan. If obtained it will be the biggest single contract won by India, with a total value of this and other contracts for survey work on Iran's national rail network is thought to be around $16bn.

GATT forecasts record year for world exports

FINANCIAL TIMES REPORTER

THE VOLUME of world exports is expected to reach a new peak this year exceeding last year's level by 10 per cent. and the previous 1974 peak by around 4 per cent. This is the forecast made by the General Agreement on Trade and Tariffs (GATT) in its annual review which will be published in full in a few weeks time.

Last year, GATT reports, the value of world exports increased by about 5 per cent. to $880bn., but in volume terms declined by some 5 per cent. This decline was steepest in the first half of the year. It was followed by a marked recovery in the third quarter of the year.

The only source of strength in world trade last year, the report states, was the import demand of the oil-exporting developing countries and the Eastern trading area. Each area accounted for one-half of the total nominal increase of some £40bn. in the value of world trade.

On the export side the bulk of the increase accrued to the industrial countries. Their share in the value of world exports, which peaked at 69 per cent. in the early 1970s but declined thereafter to 63 per cent., rose slightly to 64 per cent. last year. Their exports rose in value terms by 7 per cent., reflecting mainly the increases of 60 per cent. (nearly 80 per cent. in 1974) in exports to the oil-exporting developing countries. In volume terms, the overall decline of 4 per cent. in developed countries' exports stemmed essentially from the fall in their mutual trade.

The recession in the industrial countries affected primarily their imports These declined for the first time in the post-war period —marginally in value terms but by 8 per cent. in volume. The fall in imports from both oil-exporting and oil-importing developing countries was the most pronounced.

The trade surplus (fob-cif) of the oil exporting developing countries was reduced from $85bn. in 1974 to $57bn. in 1975 as the area's *imports continued* to grow while its exports declined. Saudi Arabia, with $20.6bn. ($6.3bn. less than in 1974) and Iran with $9.6bn. ($6.5bn. less than in 1974) remained the two oil-exporting countries with the largest trade surpluses. During the early months of 1976 the trade surplus of the oil-exporting countries widened again as oil consumption recovered in industrial countries.

The aggregate trade deficit (fob-cif) of industrial countries, excluding Southern Europe, was sharply reduced from $43bn. in 1974 to $12bn. in 1975. The *largest shift occurred in the U.S.*, where a trade deficit of $9.5bn. in 1974 turned into a surplus of $4.2bn. in 1975. The two largest deficits in 1974, those of the U.K., $15.5bn., and of Italy, $10.7bn., were reduced in 1975 to $9.5bn. and $3.6bn., respectively. In West Germany, the 1974 record surplus of more than $20bn. was reduced to slightly over $15bn.

But with the gradual upturn in economic activity since mid-1975, the combined trade deficit of industrial countries has begun to grow again.

The combined trade deficit of Southern Europe, which had almost doubled in 1974, rose further to nearly $20.5bn. in 1975, the largest deficit being recorded in Spain ($8.6bn.).

The combined trade deficit of the oil-importing developing countries (fob-cif), following the upsurge from $13bn. in 1973 to $34bn. in 1974, rose further to $45bn. in 1975. Whereas in 1974 the largest part of the increase in the deficit occurred in trade with the oil-exporting countries, the 1975 increase stemmed from the growing deficit with industrial areas.

The Eastern trading area's overall trade deficit widened further to $10bn. (fob-fob) in 1975, as compared with $4bn. in 1974 and $1½bn. in 1973. For the area as a whole the deterioration of the overall trade balance reflected primarily the further rise in the trade deficit with industrial countries, from $7.6bn. in 1974 to $13bn. Most of the increase in the deficit with industrial countries was accounted for by the Soviet Union, which turned a slight surplus ($0.3bn.) in 1974 into a deficit of nearly $5bn. in 1975.

GATT says the trend of industrial countries' foreign trade growing faster than production, apparent in the first half, is likely to continue through the end of the year, because restocking of raw materials and semi-manufacturers is only partly responsible for this tendency.

For the continued growth of world trade through the second half, it cites the recovery of demand in industrial countries, continued (if less pronounced) rise in import demand of oil-exporting developing nations, and an expansion in the foreign trade of East Europe and China.

Row over TV imports 'inquiry'

BY DAVID BELL

WASHINGTON, Sept. 1.

THE U.S. International Trade Commission is actively considering sending two investigators to talk to British and other European television producers about the pricing and other policies of Japanese television manufacturers.

This proposal has sparked off a disagreement between the ITC on the one hand and the American Treasury on the other which serves to illustrate the problems that may have been created by the 1974 Trade Act under which the ITC was set up.

The commission began its investigation in March after two U.S. companies accused some of their Japanese competitors of "predatory pricing policies" in the American market. But the Treasury is not convinced that there is any real distinction between this and dumping which remains specifically its responsibility.

Indeed there is some concern in the Treasury that the ITC may be seeking to "elbow it out" and thus increase its own trade regulatory powers.

The Commission was set up by the Act to consider allegations by companies or unions of a variety of "unfair" trade practices and it can, as it did over special steels earlier this year, recommend that the President impose quotas.

The disagreement puts the EEC Commission and the British Government in something of a dilemma. For however much European officials may regard the ITC as having too much power, they do not wish to take sides in the dispute.

Accordingly, the Commission appears likely to do little more than talk to the investigators if *they come and the British Government* is likely to have only unofficial contacts with them. Some officials are worried about the precedent that the visit might appear to set.

Within the United States and the ITC there is growing concern, however, about the size of the Japanese trade surplus with the United States, which could reach $4bn. by the end of the year.

The ITC has thus seized on the television case as a good example of the problems that may be posed by the increased penetration of Japanese products and is seeking to establish just how true the allegations of Japanese price fixing may be.

The Commission's investigation at the request of Sylvania and Philco Consumer Electronics is under Section 337 of the Act. The two companies have accused some of their competitors of the "existence of predatory pricing schemes resulting in below cost and unreasonably low cost pricing of television sets in the United States."

The ITC counters the Treasury argument that this may be little more than an anti-dumping inquiry by saying that its investigators will be seeking evidence only of a possible written or unwritten agreement between Japanese makers to keep prices artificially low and possibly to divide certain markets between them.

EUROPEAN TEXTILES

Moving back to profit

BY RHYS DAVID, TEXTILES CORRESPONDENT

THE BIG German fibre groups are to mount major promotion campaigns this autumn in a bid to inject some stimulus into the now faltering recovery in textile demand.

The textile industry throughout Europe has been waiting for increased demand in Germany to pull up activity elsewhere. But after good quarters at the end of 1975 and at the start of this year, the past four months have seen a slackening in the upturn, partly as a result of the warm weather which has discouraged consumer spending on clothes.

Retail spending in textiles in Germany in the first six months increased by only 3 per cent. over the same period last year, according to the Federation of German Textile Retailers, whereas in the first six months of 1975 sales were up by 8 per cent.

Despite this relative stagnation in the marketplace the three big fibre groups in Germany, Hoechst, Bayer and Enka Glanzstoff, part of the Dutch group Akzo have been able to move up from the very low levels of capacity utilisation of last year when drastic destocking throughout the textile chain had an exaggerated effect on fibre sales.

The average capacity working is now put at around 85 per cent. compared with 60 per cent. or less last year with consumption and production now thought to be broadly in balance.

But although the higher capacity utilisation has brought some relief, reducing overheads, there is considerable concern over the continued weakness of prices. Prices of imported fibre, according to Hoechst, remain much lower than those of European manufacturers and the export orientated German companies have been hit, too, by the Deutschemark's increase in value *in relation to the French, Italian* and British currencies.

With imported goods of all kinds taking a much bigger share of the European market there is now also serious over-capacity in fibres in Europe. The result is that much higher levels of demand will need to be reached in order to return to full capacity working. Furthermore, while over-capacity continues, difficulties are expected to remain in achieving the 25 per cent. increase in the prices of most fibres needed to return the German fibre industry to profits.

Enka Glanzstoff, which lost Fl.326m. (£70m.) last year, has recently moved to increase prices of polyester filament, which in Europe, as in the U.S., remains the worst affected fibre, and is hoping other producers will follow. Polyester filament prices in Europe fell back again after an earlier attempt this year to secure increases.

Enka, which lost a further Fls.27m. in the second quarter, admits that as a result of poor demand over recent months it is behind its ambitious target for recovery. Most other fibre producers in Europe are now expecting to return reduced losses this year rather than profits unless there is a substantial upturn in the market in the remainder of the year.

The promotions now planned are intended to stimulate consumption by claiming for textiles a bigger share of increased consumer expenditure, which has been going to the motor industry and housing in Germany.

Hoechst is to mount a major advertising scheme in the Press in Germany, Switzerland and Austria, starting in September. Enka Glanzstoff is also running a major campaign with manufacturers and retailers, concentrating on the sophisticated new leisure fabrics coming out of European mills.

The increased German promotional activity, which coincides with ICI's decision to phase out its Crimplene brand and concentrate its effort behind the Terylene name, comes at a time when textile demand normally picks up after the holiday period.

Denim in the Third World

BY PAUL BETTS

THE ALL-TIME HIGH in the demand for blue denim and the present chronic shortage of the cloth has forced many manufacturers of the so-called "uniform of youth" to turn to the Third World.

Like Hong Kong, where the manufacturers of Brutus jeans have set up shop, Tunisia is increasingly becoming a buoyant centre for the production of denim. And the Pakistan Export Promotion Office announced this week that it has sent a mission to survey West European and North American markets for denim markets. The survey, it is understood, aims at gleaning Pakistan's rising denim output more closely to international market trends.

The U.K. jeans concern of Lee Cooper, one of the world leaders in this field, said this week that its Tunisian manufacturing unit at Ras Djebel, half-way between Tunis and Bizerte, would be producing between 50,000 and 60,000 garments by the end of 1977.

The plant, jointly owned by Lee Cooper's French subsidiary (60 per cent.) and the Tunisian Government (40 per cent.) started production in May 1975 and has already attained an annual output of between 20,000 and 25,000.

A denim mill set up by the U.S. concern, Swift, in the outskirts of Tunis, which is already in production, is expected to reach an annual turnover of 28m. metres of denim cloth by about 1978. Other leading jeans manufacturers, including the American Levi-Strauss and the French New Man, are now looking at the opportunities offered by Tunisia for this market.

Incentives for foreign companies to establish themselves in Tunisia have largely been responsible for the development of the jeans business there. These incentives were set out under a law that came into force in 1972 which provides a number of advantages to export-orientated industries. These include exemption from rental value tax levied on business premises, reduced rate of registration of asset transfers, exemption from custom duties on materials imported for production to be exported.

Export companies which are non resident also enjoy relaxed foreign exchange regulations and are not required to bring to Tunisia any profits from operations abroad.

The object of the 1972 law is to transform the country into the pivot of a "triangular trade" system in which foreign concerns set up manufacturing plants in Tunisia and then export their products back into the world market. The appeal of the "free trading zones" established in Tunisia can be gauged from the fact that some 160 EEC companies have already set up operations there.

Mr. Alex Malcolm, of Lee Cooper's U.K. export division, pointed out that the company's plant at Ras Djebel was not intended to become a "colossal profit centre" but a source of supply of denim products principally for the European market. The company's recent annual report stated that the Tunisian unit sustained a loss in the initial trading period "but is now on a break-even basis."

Mr. Malcolm also explained that the present shortage of denim was not so much the result of bad cotton harvests but the result of acute shortages in indigo dye. "There are only four places in the world which produce the blue dye: the U.K., Japan, West Germany and the United States."

In the U.K., dye is produced by ICI whose plant at Ellesmere Port, Cheshire, has an annual turnover of 3,000 tons of all grades of indigo dye. BASF, Allied and Mitsubishi also produce the dye in West Germany, the U.S. and Japan respectively.

ICI explained that in spite of high demand it was difficult to justify investment in a new dye-producing plant because of the uncertain nature of the fashion business. At the same time, it *had been difficult for the U.K.* textile industry to take advantage of the denim revival because at least 90 per cent. of U.K. produced dye was exported.

"There has been an enormous disparity in cost between the dye sold in this country and that sold overseas," ICI said. "World prices have in fact been up to 125 per cent. higher than U.K. prices because of Britain's price control system. No one therefore was keen to sell dye to the U.K. at such depressed prices."

Earlier this year, however, the Price Commission made certain contingency provisions to balance out prices in the U.K. with those overseas. As a result, about 25 per cent. of the U.K. produced dye was now absorbed by the British market. But ICI added that in black markets of the Far East retailers were still asking "anything they fancied" for the dye.

To justify an increase in dye *production, according to ICI*, a high level of demand would be needed for at least 10 years. But, according to Levi Strauss, the present high demand for denim products was expected to equate with supply by 1977-78.

AMERICAN NEWS

Limited cash for B-1 programme

THE U.S. Congress has agreed to allow some very limited spending to continue on the controversial B-1 bomber programme for the next six months, but has reasserted its belief that the next President should decide in February whether or not full-scale production should be authorised, writes Jurek Martin in Washington. This compromise solution, worked out by members of a *joint house-senate conference* committee, is being portrayed here as a victory for opponents of the B-1.

It is felt that the money that has been authorised is small enough to make any cancellation six months from now financially inconsequential. This amount has a ceiling of $88m. a month, sufficient, *it is argued, for Rockwell*, the manufacturing company, to keep its B-1 design and engineering team together, but far short of that required to engage in production on any meaningful scale.

The Administration has proposed that 244 B-1s be built at a total cost of $21.4bn. The Appropriation Bill for the next fiscal year included $1.05bn. to cover the cost of the first three aircraft. The House had approved this allocation, but the Senate Appropriations Committee had voted specifically to prohibit use of these funds until next February.

Uruguay President

Conservative lawyer Sr Aparicio Mendez was sworn in yesterday in Montevideo as Uruguay's third de facto civilian president in less than three months, writes Robert Lindley in Buenos Aires. Sr Mendez (72) replaces stopgap President Alberto Demicheli, who was named on June 12 to take over from President Jose Maria Bordaberry, deposed by the armed forces because he opposed any return to constitutionality in the foreseeable future. Sr Bordaberry's viewpoint is that elections in Uruguay would only make it possible for the Marxists to gain positions of power.

Restless volcano

A column of black smoke and white steam belched 6,000 feet in the air as a new series of earth tremors shook La Soufriere volcano in the French Caribbean island of Guadeloupe yesterday, UPI reports. Scientists said that the rate of activity had to fall off or the volcano would have to erupt. The volcano was quiet for two hours on Tuesday after shaking the island with 464 earthquakes since late Monday. Mr. John Tomblin, director of the Trinidad Institute of the Physics, *said that the volcano was "venting from all the fractures."*

Banks criticised

U.S. Banks are impeding a full economic recovery by charging unnecessarily high interest on business loans, House banking chairman Henry Reuss has said, *AP-DJ reports from Washington*. Mr. Reuss said that banks are paying considerably less interest for money than two years ago at the height of ination. But he said they have not reflected that decline when they loan money to business.

Rubber workers back

Armstrong Rubber has said that members of the United Rubber Workers' Union have returned to work, ending a strike at tyre plants which began on June 30, AP-DJ reports from New Haven, Connecticut. Details of a new three-year contract were not immediately available, a spokesman said.

Mexico abandons dollar parity and floats peso

BY ALAN RIDING

MEXICO CITY, Sept. 1.

THE MEXICAN Government last night effectively devalued the Mexican peso for the first time in 22 years by abandoning *its fixed* parity with the United States dollar and allowing the currency to float down to a new level.

Although the peso had been under growing pressure in recent months, the timing of the measure was totally unexpected, not only because President Luis Echeverria has just three months left in office but also because to-day was the occasion of his final state of the union address to Congress.

Banks were closed routinely to-day because of the President's address, but banking sources expect an immediate downward float of between 20 and 25 per cent.

Finance Minister Mario Ramon Beteta said last night that, while no exchange controls would be imposed, the Bank of Mexico would intervene to prevent wild speculation of erratic movement in the peso's value.

Nevertheless, economists are anticipating a difficult month for the peso, with considerable Government intervention, before it finds its new level.

Sr. Beteta said the measure was taken because of the growing cost to the country of fighting speculation against the peso and because of the loss of competitiveness by Mexican products, which last year resulted in a $3,700m. current account balance of payments deficit.

In his Press conference, the Finance Minister also predicted that the decision to float would stimulate exports, attract foreign tourism, increase the competitiveness of Mexican industry and therefore create new jobs, rationalise imports and woo back short-term capital that has fled the country in recent months.

But he also conceded that it could bring a wave of inflation and he promised a firm Government hand to control the prices of basic foods.

The immediate reaction of Mexican economists was that the outgoing government of President Echeverria had taken a brave decision rather than bequeathing a weakened external sector to President-elect Jose Lopez Portillo and forcing the new ruler to take the same decision during his first weeks in office.

Perhaps the greatest erosion to the peso has come, not from the huge balance of payments deficit or even from the country's $22bn. foreign debt, but rather from the Government's inability to control inflation.

Compared to the United States, Mexico's partner in two-thirds of its trade, the relative inflation rate here during the past three years left the peso overvalued by approximately 35 per cent.

The tourist industry in particular *suffered from this rise in* local costs, which among other factors resulted in a 4 per cent drop in the number of foreigners visiting the country last year. Last night's de facto devaluation, on the other hand, is well timed to produce a boom tourist season this winter.

Europe caution; 15% fall in NY

BY MARY CAMPBELL

REACTION IN Europe to the effective devaluation of the peso was cautious as bankers waited to see what would happen in New York. However, quotations for the State-owned Banco Nacional de Obras D-mark bond issue—the latest issue to close on the German bond market—remained unchanged at around 99¾ bid: the 9 per cent. coupon on the five-year bond was in any case generous to investors, dealers said, and might have been expected to prevent any potenital selling from developing.

Nor was there any indication that a hitch might develop over the $150m. commercial bank loan which Financiera Azucarera, the Mexican State sugar financing agency, is currently arranging.

One effect which the devaluation might have, a banker suggested, could be to cause the Mexican Government to accelerate the rate at which it takes up loans which it has already arranged, but not completely drawn, in order to have plenty of foreign exchange in hand to steady the float. Mexico is believed still to have intact swap lines totalling over $600m. with the U.S. Federal Reserve and Treasury. But its foreign currency reserves have been falling fast this year and are thought to amount to little over $1bn.

The deeper significance of the devaluation of the peso for international bankers lies in the fact that Mexico has until now enjoyed an almost unique position in international financial circles. Although classified by some criteria as a developing country and burdened with a ne[w] foreign debt rivalled among such countries only by that of Brazil it has continued to be able to raise funds commercially with complete regularity and ease.

Reuter adds from New York: The Mexican peso to-day she[d] 15 per cent. of its value i[n] foreign exchange dealings her[e] as it floated freely for the fir[st] time.

The peso—the most widel[y] held Latin American currenc[y] in international money market[s] —had been held at 12.50 to th[e] U.S. dollar for 22 years. In earl[y] trading the currency was quote[d] at the equivalent of 14.75 to th[e] dollar, dealers said.

FBI chief 'misused position'

BY JUREK MARTIN

WASHINGTON, Sept. 1.

THE FEDERAL Bureau of Investigation, whose morale has wilted visibly under the pressure of constant revelation of questionable activities, is now even more embarrassed by the disclosure that its director, Mr. *Clarence Kelley, may have* abused his authority in his personal affairs.

The Washington Post reported this morning that the U.S. Attorney General, Mr. Edward Levi, has two inter-departmental reports on his desk, one recommending that Mr Kelley *be fired, the second that at the* very least he receive a public reprimand.

In a statement, Mr. Kelley lent a certain credence to the allegations by admitting that some furniture had been specially made for his own apartment by a division of the FBI: he said *this was done without his* knowledge and that the items would be returned to the bureau when he leaves office.

He also acknowledged that he had received certain gifts from his subordinates, including a clock and other items of furniture. In his statement Mr. *Kelley said that he is "prepared* to make restitution for any of such gifts which are clearly not permitted."

Interest in the possibility of FBI officials using bureau facilities for their private use was aroused two weeks ago when the *head of the FBI's exhibits section*, which undertakes various construction and design projects, resigned after pleading guilty to a misdemeanour charge of unlawfully taking lumber that was Government property and putting it to his own use.

In Mr. Kelley's case, there is no suggestion of outright venality, but merely of bad judgment.

But the mood of the moment is that indiscretions and peccadillos must be rooted out and Mr. Kelley seems to be the victim of this. If Mr. Jimmy Carter is elected President in November he will be the victim of something else since the Democratic candidate has promised to fire Mr. Kelley and overhaul the FBI as soon as he assumes office.

Anti-boycott tax rules tightened

WASHINGTON, Sept. 1

CONGRESSIONAL tax writers, casting aside administration opposition, voted to-day to deny some foreign tax benefits to companies which participate in international boycotts such as the Arab boycott of Israel.

The anti-boycott language was carefully drawn to limit the loss of tax advantages to business activity in the country or countries initiating the boycott.

The final compromise would deny the foreign tax credit, foreign tax deferral and the tax benefits of domestic international sales corporations to any company that agrees not to do business with any specific country, agrees not to do business with other companies which do business with a specified country or agrees not to hire employees or directors because of their nationality, religion or race. UPI

STATE OF EMERGENCY IN JAMAICA

A security success

BY CANUTE JAMES, IN KINGSTON

JAMAICA'S crime rate has dropped significantly over the past two months since the Government of Prime Minister Michael Manley declared a State of Public Emergency. Both the *Government and the island's* security forces may be feeling pleased at the positive effects of the declaration of the emergency —a move seen as the last resort in the fight against crime.

The emergency was imposed in mid-June after the security forces appeared to be losing the battle against crime and violence. Although concentrated in small parts of the Kingston urban area, it had a debilitating effect on the whole country's economy.

Between January and June of this year, the crime wave claimed 163 lives, some the result of identifiable party political warfare, *but most caused* by well organised attacks, apparently without motive.

Under the regulations of the State of Emergency, the island's security forces have a free hand in detaining indefinitely and interrogating anyone suspected of being a threat to public safety.

The figures by themselves are quite impressive. During the two months of the emergency the number of shootings fell to 60, compared with 121 during the preceding month. During the first 60 days there were 246 criminal acts which the security forces described as "serious," *compared with 467 such offences* in the 60 days before the declaration of the emergency.

The forces also said that in the two month period they recovered 121 illegally held guns, 1,870 rounds of ammunition and 720 explosive devices, which included molotov cocktail bombs, sticks of dynamite and detonators.

That the security forces have been successful in winning an element of control over the island's crime is reflected in the fact that there is a more relaxed atmosphere. Nightlife is returning to normal, the Government is hoping that the economy can get moving again, and has plans to pump money into the system, and attention is being turned away from the crime problem *to more obviously political matters* such as the impending general election.

It is the political side effects of the declaration of the State of Emergency which are now the focal points of public debate here.

The leader of the Opposition Jamaica Labour Party (JLP), Mr. Edward Seaga, has continued his attacks on the Government for using the emergency regulations to obtain party political advantages. Two of the detainees who are the subject of Mr. Seaga's accusations are Senator Pearnel Charles, one of the party's deputy leaders, and a prospective election candidate, Mr. Peter Whittingham.

In charging that an unfairly high proportion of his party supporters have been detained under the emergency regulations, the Opposition leader claims that the incarceration of the "political detainees" poses a threat to the strength of the JLP in the forthcoming elections.

To this the National Security Minister Keble Munn retorts that the dramatic drop in the crime rate since the detentions started shows that the detainees must have been connected with crime.

The Government has been repeating that there are no political considerations in the implementation of the emergency regulations and in the detentions of suspected persons, and that these decisions are made by the heads of the security forces and not by politicians.

This has had little effect in *quelling the criticims* from the JLP, and the party's chairman has been appearing on behalf of detainees in hearings on writs of habeas corpus which have been filed in the courts.

The political arguments surrounding the State of Emergency are likely to intensify during the next few weeks in the face of the impending general elections. The Manley Government, which has a large majority in Parliament, has not yet set a date for the elections, although under the Jamaican constitution they cannot be postponed beyond the beginning of June next year.

An attempt by the JLP and the ruling party, the People's National Party (PNP) to agree ground rules for party political behaviour under the emergency regulations has met with only limited success.

There are mixed feelings among political observers here about the effects on campaigning and on the elections themselves of the State of Emergency.

While it has been accepted that the atmosphere of calm and the leavening effect of the emergency on the incidence of politically motivated and non-political crime can be beneficial to a peaceful campaign, the emergency regulations prohibit statements which might be inflammatory and which could jeopardise law and order.

However, for all practical purposes, the election battle has been joined. Against the background of the State of Emergency, the factors on which the result will hinge will be not so much the control of crime and violence, but rather the island's economy, the relevance of the PNP's ideology of democratic socialism, and the JLP's advocacy of what it calls nationalism.

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OVERSEAS NEWS

Exports lift Japan's reserves near peak

By Douglas Ramsey

TOKYO, Sept. 1.

ACCELERATING exports helped push Japan's foreign exchange reserves to $16.3bn. at the end of August. The Ministry of Finance to-day announced the eighth consecutive monthly rise which left the country's reserves at their highest level since April, 1973, and climbing towards the all-time high of $19bn. immediately prior to the de facto yen revaluation in February, 1973.

The $351m. boost in reserves, however, was less than the July rise of $543m. which prompted remarks, notably in the American Press, that the Bank of Japan was "rigging" the yen exchange rate by keeping its value on the free market below what Japan's reserve levels really warrant.

In recent days, the Ministry of Finance as well as Mr. Teikhiro Morinaga, Governor of the Bank of Japan, have defended Japan's exchange rate policies as entirely proper. They argue that, whereas in Germany, for instance, large increases in exchange reserves should prop up the Deutschemark because of a very small degree of net foreign exchange indebtedness, figures supplied by MOF showed that in June, commercial banks' liabilities (at $14.9bn.) nearly offset the country's official foreign exchange reserves ($15.4bn.).

Mr. Michiya Matsukawa, Vice-Minister at MOF, left to-day for Washington, Bonn, Paris and Rome (he was in London last month) to explain, among other things, Japan's exchange rate policies. The matter has become a highly political one with exports to both Europe and the United States surging ahead and those countries' deficits with Japan rising. No doubt, Mr. Matsukawa will then have to repeat the defence at the annual meeting of the IMF and World Bank in Manila early next month.

The argument begs the question, however, of just how long a currency should be kept at one level, despite consistently rising surpluses on both trade and current account, and against the apparent wishes of the market itself. In August, for instance, after the heavy buying intervention of July, the Bank of Japan is rumoured to have bought more than $200m. to keep the yen rate firm.

The remainder of the reserves increase probably came directly from Japan's burgeoning exports, but preliminary figures on trade in August will not be out until next week. Officials at the MOF indicated, however, that the long-term balance on capital movements went into deficit last month, thanks to a spate of overseas trade and other credits paid out by Japan.

Asian dollar market grows in Singapore

SINGAPORE, Sept. 1.

THE SINGAPORE Asian dollar market expanded by $641m. in July to a provisional $15.33bn. after rising by a similar amount in June, the Monetary Authority of Singapore (MAS) said.

Total loans to non-bank customers and deposits of non-bank customers accounted for a larger part of the increase in July than in June, MAS said.

Loans to non-bank customers rose by $88m. in July to $3.59bn. compared with a $21m. rise in June.

Deposits of non-bank customers increased by $37m. in July to $2.15bn. compared with an increase of $13m. in June.

The increase in deposits was possibly related to the underlying strength of the U.S. dollar despite its fluctuations in foreign exchange markets borrowings rose due to the slight easing of interest rates, MAS said.

● American Oil (Amoco) and Continental Oil (Conoco) have withdrawn from a joint oil prospecting venture with Taiwan's Chinese Petroleum Corporation (CPC) and four other U.S. oil firms, a CPC spokesman said in Taipei to-day.

CPC will continue the venture with the other companies, Oceanic Oil, Clinton International, Gulf Oil and Texfel, he said.

Reuter

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THE LEBANESE CIVIL WAR

Syria hardens attitude to Left

BY OUR FOREIGN STAFF

AS HOPES for a successful outcome to the Arab League peace initiative have dimmed, so Syria's determination to strengthen its alliance with the "legitimist" Christian right-wing regime and to reject any compromise with the Left has hardened.

This much was clear yesterday following the return of President-elect Elias Sarkis from Damascus where he held five hours of conversations with President Hafez Assad of Syria on Tuesday. In an unusual show of unanimity nearly all Beirut's newspapers reported that President Assad opposed proposals for a dialogue with the Palestinian resistance movement and the left-wing leaders.

The Syrian Head of State was reported to have been particularly adamant that there could be no dialogue with Mr. Kamal Jumblatt, the leader of the Lebanese Left. For its part, the left-wing coalition took what appeared to be a significant new step towards consolidating the de facto partition of the country by announcing the opening of representative offices in France, Bulgaria, Libya, Egypt and Cyprus.

There already exists, inside the Christian-controlled enclave to the east of Beirut, the beginnings of an infrastructure for a separate state including banking, telecommunications and transport facilities.

As the rival factions awaited the result of the Damascus talks there was marked slackening in the fighting although there were clashes in the suburbs of Beirut and in the mountains which had resulted by yesterday evening in a casualty toll of at least 87 dead in the 24 hours up to yesterday afternoon. However, reports of Syrian military moves in the Bekaa Valley have continued raising speculation about a new campaign in conjunction with the right-wing Christian militias to crush the Palestinian-Left alliance.

Immediately, the result of Mr. Sarkis's visit appears to have been a further polarisation between Left and Right which cannot bode well for his formal take-over of power on September 23.

Beirut newspapers reported that he had proposed a three-stage mediation programme to reconcile first the Syrians and Palestinians, then the Syrians and the Lebanese Left, and finally the Christian Right.

President Assad is said to have answered that there could be no no talks between Damascus and the present leadership of the Palestine Liberation Organisation which Syria held responsible for what happened in Jordan in 1970 and the continuing conflict in the Lebanon over the last 16 months. He also dismissed the idea of talks with Mr. Jumblatt, according to the newspapers.

They reported that the Syrian leader raised no objections to Mr. Sarkis pursuing his own contacts with the Palestinians and Lebanese radicals. However, without Syrian pressure on the right-wing Christians any such efforts would have little chance of succeeding.

Mr. Sarkis did not commit himself to entering into a security pact with Syria of the kind that President Assad is known to be pressing for both to end the Lebanese conflict and to bring about the longer-term objective of a Syrian-Jordanian-Lebanese confederation. The Syrian leader is reported to have given the President-elect time to consider the proposal and discuss it with other Lebanese leaders.

Damascus Radio spoke of a continuation of the Syrian role in Lebanon until the crisis has been solved. This was interpreted as evidence that the presence of Syrian troops in Lebanon will continue for a long time yet.

President Assad and Mr. Sarkis also discussed the proposed Arab summit on the Lebanon. Mr. Sarkis is reported to believe that such a gathering could only be of value if the results were guaranteed. Both were said to agree that a meeting limited to the more influential states and those involved in the conflict would be of value.

Ihsan Hijazi reports from Beirut: An incident yesterday at a Christian village in the south near the broder with Israel raised concern here about possible direct Israeli intervention in the Lebanese crisis.

Four Palestinian guerillas and three villagers were killed in a clash at Ain al Ebel, a Maronite village about one mile from the Israeli border, in a shooting battle.

The Press here to-day gave two versions as to what had happened. One said the four guerillas drove into the village and began to shoot at the civilians, killing three of them and prompting the villagers to fire back. Another said the four guerillas were ambushed, that three of them were killed instantaneously, and that the fourth shot three of the villagers before he himself was gunned down. The villagers rushed the three wounded men across the border to Israel for medical help, but they were dead on arrival.

The Israelis are reported to have promised to extend assistance to Ain al Ebel against what has been described as possible retaliation by the Palestinian commandos.

The commander of the guerilla movement in south Lebanon, Colonel Abu Mussa, however, was reported by the Left-wing Press to-day to have ordered restraint and for the four guerillas to be buried quietly. Informed sources said this was because he did not want any provocations which would prompt Israeli military action in the south.

State to run oil companies

BEIRUT, Sept. 1.

LEBANESE OIL MINISTER Ghassan Tweini said to-day that a committee has been formed under his supervision to run the affairs of the Mobil and Exxon oil companies' subsidiaries in Lebanon.

He said the measure is neither nationalisation nor confiscation but a precautionary measure, adding that the "administrative custodians committee" will provisionally undertake investment operations, pay salaries and ensure the purchase of diesel oil at official prices.

Mr. Tweini said the measure is a prelude to the establishment of joint distribution companies in which the private sector, the state, and staff will participate.

Reuter

Panmunjom talks on Korean tensions

SEOUL, Sept. 1.

REPRESENTATIES of the North Korean and United Nations commands met for almost two hours to-day at the truce village of Panmunjom in a new effort to ease the tensions which followed the killing of two American officers there on August 18.

The American-led U.N. Command refused to give an account of the talks, which involved the secretaries of the two senior delegates to the Military Armistice Commission. But a UN Command spokesman told UPI that the two sides agreed to continue the talks on Thursday.

The second round of discussions in two days followed a Washington announcement that the U.S. had halted B-52 practice bombing runs over South Korea

The U.N. Command and North Korea have agreed in principle to separate their security guards in the truce village of Panmunjom to prevent further violence in the neutral area, a South Korean radio report said on Wednesday.

Radio Dong-A, quoting South Korean authorities, said the agreement came at a military secretaries meeting of the Military Armistice Commission Tuesday night.

On the basis of the agreement, the radio said that if Wednesday's meeting made further progress the UN command and North Korea are expected to call a full Armistice Commission Meeting soon to endorse the agreement.

Command spokesmen have refused to divulge details of discussions in the two days of secretarial meetings, which have been closed to the press and public Agencies.

Mao recedes further from active Peking leadership

BY COLINA MacDOUGALL

THERE IS growing evidence for Chairman Mao Tse-tung's withdrawal from the Chinese leadership. In the aftermath of the July earthquake at Tangshan, which, it is now realised, seriously damaged parts of Peking, it seems likely that he is no longer in the Chinese capital.

It was noted that the announcement in June that he would no longer receive foreign guests was made not in his own name but in that of the Central Committee. In early August the New China News Agency corrected a reference to him as Chairman Mao to Comrade Mao.

His health is probably also in decline, and this may have been hastened by the political troubles and natural calamities of the past few months.

These probabilities have been emphasised by Press reports from Canberra that Western and Asian diplomats there have received dispatches from Peking reporting that Mao has been moved out of the city. This news is said to have been given privately but deliberately to foreign representatives.

While there is no immediate confirmation of these reports, it is certainly true that Peking officials sometimes choose roundabout means of revealing developments. Some months ago they appeared to be deliberately preparing the Chinese public for Mao's departure from the scene by showing film on TV which conveyed how far his health had deteriorated.

In recent weeks the standing of Premier Hua Kuo-feng, who was appointed in April following the riot in Peking over wreaths in honour of the late Premier Chou En-lai, appears to have been enhanced by his activity in the crisis period following the Tangshan earthquake. However, the power struggle as it is reflected in the thundering of the official Press against former Vice-Premier Teng Hsiao-ping, seems to have resumed with full force in the last week.

The People's Daily issued a fresh call on August 23 to widen criticism of Teng, and this has been followed by renewed attacks on his economic and military policies. This suggests that Teng still has a good deal of support in the Chinese establishment, even though the so-called radicals control the Press and radio.

The inability to reach a compromise is shown in the large number of empty seats on the highest party bodies. Through deaths and dismissals, the politbureau has shrunk from 21 to 17, and the politbureau standing committee from nine to five. A party meeting to choose a new leadership is overdue, but seems unlikely to be held while the two groups in the leadership, radicals and moderates, continue to fight out their differences in public.

In the meantime, there is obviously considerable disorder in the wake of the earthquake and the riots earlier this year. In the last few days a provincial newspaper has reported an armed bank robbery, and five other provinces have spoken of "beating, smashing and looting" which is being dealt with by law.

Big military display for Libyan coup celebration

TRIPOLI, Sept. 1.

THE LIBYAN leader, Colonel Nuammaa Khedaffi will to-night address a military parade marking the seventh anniversary of the coup which overthrew the Libyan monarchy, according to the official Libyan news agency Arna.

The report said the parade will include ground-to-ground missiles, anti-tank guns, rockets and various types of artillery pieces, as well as infantry, naval, air and commando detachments.

The September, 1969 revolution brought the present military leaders to power. This year's celebrations are due to last 42 days, according to Arna.

Starting to-day — the date chosen to coincide with the anniversary—Libya will extend its short wave Arab broadcasts to cover the whole of North Africa, the Gulf Area and the Middle East.

● Sheikh Jaber Al-Ali, Kuwait's Deputy Premier and Minister of Information, has warned the Kuwaiti press against speculating on the formation of a new government, it is reported from Kuwait.

The Kuwait National Assembly was dissolved on Sunday and the government assumed wider powers to control the press after the resignation of the Cabinet of Crown Prince Sheikh Jaber Al-Ahmed, who accused the Assembly of obstructing his programmes.

Sheikh Jaber Al-Ahmed was asked by the Emir of Kuwait to form a new government and the Kuwait press has been speculating about its expected composition.

Reuter

Rhodesians claim highest guerilla toll in August

SALISBURY, Sept. 1.

MORE NATIONALIST guerillas were killed in Rhodesia last month than in any previous month since the guerilla war started in December, 1972, according to official figures published to-day.

In the latest guerilla attack yesterday on a Rhodesian base near the border with Mozambique, 17 Rhodesian soldiers were reported to have been injured. A security force communique said 131 guerillas were killed inside Rhodesia in August, seven more than the previous monthly highest in June.

The total does not include those killed three weeks ago when Rhodesian troops raided a camp inside Mozambique. Rhodesia said some 300 guerillas and 30 Mozambican troops died. Mozambique, and the UN High Commissioner for Refugees, Prince Sadruddin Aga Khan, said the camp held refugees and that between 600 and 700 were killed.

The communique said 58 guerillas were killed in the last five days of August.

An official communique yesterday on the base camp raid said six Rhodesian soldiers had been hurt—two critically and four seriously. But reliable reports to-day said 17 men were flown to a Salisbury hospital.

Reliable sources said the attack occurred in the Mtoko district near the border with Mozambique and began with a rocket and mortar barrage. It was followed by a strong ground force attack backed by small arms fire.

The sources said at least 100 guerillas were thought to have been involved.

Reuter

Uganda frees five accused

NAIROBI, Sept. 1.

FOUR OFFICIALS and a businessman tried for their lives in Uganda on suspicion of subversion, have been released with a warning, Uganda Radio reported to-day.

After their arrests in July, President Idi Amin told a military tribunal it should deal with the case "without mercy."

The radio, monitored here, said to-day that the Minister of Defence and Army Chief of Staff, Major-General Mustafa Adriki, had dismissed the four officials from their posts on the advice of the country's Defence Council.

They are Mr. V. A. Okurut, former Provincial Commissioner of Prisons, Mr. Vincent Okum, an Assistant District Commissioner at Mbarara, 170 miles west of Kampala, an army sergeant and an official of the Ministry of Culture and Community Development.

Reuter

NZ engineers union plan strike

CHRISTCHURCH, Sept. 1.

NEW ZEALAND'S 45,000-strong National Engineers Union—biggest in the country—to-day announced plans for full-scale strikes over stalled pay talks.

Union leaders were meeting later to-day to decide on details. The strike move followed the expiry of a two-week union ultimatum to employers to change their stand after pay talks broke down.

The new stoppages, starting to-day, will swell the ranks of striking workers in New Zealand. The Port of Wellington has been paralysed since Friday by a seamen's and dockers' strike in protest against a visit by the U.S. nuclear-powered cruiser Truxton.

Brewery workers began a week-long strike on Monday and pulp and paper workers and drivers have resumed pay talks with employers following industrial action. Electrical workers have also started pay talks after a strike threat.

Unions, already angry over Government pay freeze legislation, are now bitter over its plans to introduce legislation restricting union rights to call political strikes.

Meanwhile in Wellington, a New Zealand citizen has brought a private court action against the captain of the Truxton for bringing an explosive device into Wellington harbour "with reckless disregard for the safety of others."

The Truxton's visit is the first of a nuclear-powered warship to New Zealand for 12 years.

In his suit filed here to-day, Mr. Donovan McGrath named Captain Billy Tally, the ship's commander. A magistrate's court set September 15 for a hearing. The Truxton is due to leave Wellington to-morrow for Melbourne.

Mr. McGrath, a lawyer, said outside the court that he believed the Truxton was carrying nuclear devices capable of blowing up both Australia and New Zealand, including two weapons of at least the Hiroshima size.

(According to Jane's Fighting Ships, the Truxton is armed with Terrier anti-aircraft and Asroc anti-submarine rockets. Both weapons can carry either conventional or nuclear warheads.)

Reuter

EUROPEAN NEWS

MPs lobbied by Lockheed named by Dutch Speaker

BY MICHAEL VAN OS

AMSTERDAM, Sept. 1.

THE DUTCH Government made available to Parliament in the Hague to-night the texts of two internal Lockheed telex messages from which, the Donner Report had noted last week, it appeared that the aircraft manufacturer "had also made efforts at persuading members of the Second Chamber to gain support for the P-3C (Orion aircraft)."

The names mentioned in the short telex messages were three Members of Parliament's Permanent Defence Committee, namely General Joop Van Elsen (chairman), of the Roman Catholic Party, Klaas De Vries of the PVDA Labour Party, both Government parties, and Colonel Ad Ploeg, of the VVD chief Opposition Party.

One of the messages between two Lockheed officials contained the sentence: "Gerritsen just called to say Van Elsen highly pleased with visit which he considered highly successful. Ploeg was not 100 per cent. behind

THE LOCKHEED PAYMENTS

Orion, but now he is and gave a good report to Committee."

A KVP spokesman said to-night in The Hague that Mr. Van Elsen, who was abroad, had visited all participating aircraft manufacturers always with other MPs from other parties, in an effort to inform himself about the aircraft offered. He had always stated, and several times publicly, that he was in favour of the Orion as it was the best plane. *He rejected outright any* speculation about undue Lockheed pressure.

A spokesman for the VVD said that Mr. Ploeg, who was also abroad, had also visited aircraft manufacturers, but he had reserved his opinion about the Orion until he had seen it at Burbank with Van Elsen, as part of an U.S. trip which included a visit to the Fairchild Aircraft manufacturer. He also rejected anything about undue Lockheed pressure, adding that events had been completely normal.

The same telex message also stated: "Van Elsen would like to bring another Committee member, Mr. De Vries, to Farnborough, on September 4. He is a member of the Socialist Party of which the Defence Minister and Prime Minister are also *members. Can be at* Farnborough only one day.

"Gerritsen says that the Defence Committee is solidly behind the Orion, but if you want to make this 100 per cent. thinks should charter airplane. De Vries, being Socialist, would give us clean sweep of major parties in the Committee. Request your view."

The message was exchanged between Messrs Jim Gannon and M. Egan, Lockheed officials, but more details are not known. The man called Gerritsen mentioned is Mr. Hans Teengs Gerritsen, Lockheed's Dutch consultant and a close associate and friend of Prince Bernhard. He was frequently mentioned in the Donner Report.

The Dutch Government in the end did not buy the 13 Lockheed Orion aircraft, shelving the decision for budgetary reasons. A spokesman for the Labour Party said later to-night that Mr. De Vries, in a letter to the leader of Parliament to-night, stated the advice mentioned in the last Telex had apparently never been followed as he had *no* contact with Lockheed officials.

Mr. De Vries had indeed visited Farnborough as part of the Defence Committee, on an unnamed manufacturer's plane. The Labour MP added that the Committee had written to *the Defence Minister after the* visit, to say that they wanted to fly on a Government plane next time, not on a company plane.

Air controllers in Spain stand firm

BY OUR OWN CORRESPONDENT

MADRID, Sept. 1.

THE SPANISH air traffic controllers, who began a work-to-rule over two weeks ago, have indicated that they will continue the go-slow in spite of the financial chaos it is causing.

A spokesman for the controllers, who claimed that traffic control equipment in most Spanish airports is too old-fashioned to meet safety standards, said to-day: "We are conscious of the enormous economic losses which the situation carries with it."

The spokesman added, however, that although the work-to-rule meant enormous hardship for travellers, it aimed at avoiding a disaster "which due to the equipment we are obliged to use, we feel is getting nearer all the time." He referred specifically to the danger of an aircraft collision.

Traffic controllers met in Madrid yesterday to discuss the go-slow. The meeting, attended by over 100 controllers, was originally scheduled for Monday but later postponed to allow controllers from Barcelona and Seville airports to reach the capital.

They decided to continue their work-to-rule until their demands for new equipment and more staff were met. But they believed that it could take up to a year to install new equipment.

At least two foreign airlines are understood to have cancelled scheduled flights to Spain this week. The already troubled Spanish tourist industry, which reported a drop in July to 5.5m. tourists from 6m. during the same month last year, is now bracing itself for a disastrous "low season."

A recent survey of hotels on the Costa del Sol showed about 90 per cent. occupancy for August, but bookings for September were reported down on 1975 levels.

Suarez pressured by Right, Left

MADRID, Sept. 1.

PRESSURE from Spain's Right and Left wings was mounting to-day on the two-month-old Government of Prime Minister Aldolfo Suarez as it tried to map out a course for post-Franco democracy.

Right-wing resistance to proposed constitutional reforms threatens a referendum that was to be held next month but now might be delayed until December.

On the Left, opposition groups insist on formation of a new Government that would organise general elections for a new Constituent Assembly, which in turn would rewrite basic Spanish laws.

Reuter

Hoffman to appeal against EEC fine

The Swiss-based drug and chemical company Hoffman-La Roche said yesterday it had formally lodged an appeal against a $360,000 fine imposed by the European Commission last June, Reuter reports from Basle.

The European Court of Justice in Luxembourg was unlikely to reach a verdict on the appeal before the end of this year, a company spokesman said. The Commission fined the company for infringing the Common Market free trade rules by allegedly offering customers loyalty premiums to buy their products and so abusing its dominant position in EEC markets.

Lefebvre to rest

Rebel French Archbishop Marcel Lefebvre, suspended from priestly duties for celebrating a banned 16th century Latin Mass, said here to-day he was suffering from exhaustion and had been ordered by his doctors to take a complete rest.

The 70-year-old prelate, suspended by Pope Paul, said through a Belgian lawyer he was *cancelling confirmation* services in Belgium and Holland because he had been exhausted by recent travels, services and interviews. He has been told to take 48 hours' total rest.

Andreadis takeover

The Greek Government has wrested control of banker Stratis Andreadis' banking and industrial empire in a move that several industrialists here described as "nationalisation without compensation," AP-DJ reports from Athens. The Government passed a law on Tuesday night giving it control of Andreadis' five banks, considered the backbone of his three insurance companies and 16 industrial units. The Andreadis shipping empire is not affected by the move.

Belgian drawing

Belgium drew a total of B.Frs.25.799bn. from the European Fund for Monetary Co-operation during August to defend its currency's position in the snake, latest figures of the Central Bank published yesterday showed.

Price set for Kursk steel project 'well in excess' of first estimates

BY DAVID SATTER

MOSCOW, Sept. 1.

THE PRICE of the first two parts of the first phase of the giant integrated steel works at Kursk the largest post-war W. German-Soviet project, has been set at well in excess of DM1bn. by the German side, according to an informed source.

The commercial proposal for the construction of the first two major components of the project, a pelletisation plant for converting iron ore into iron, and a direct reduction plant for de-oxidising the iron pellets into steel pellets, was presented to Soviet officials last month.

According to a previously agreed protocol, the Soviets now have until October 15 to discuss both the detailed technical proposals for the plants, which were presented by the Germans in Moscow in July, and the commercial proposal and to try to reach agreement on contracts.

The entire steel complex, which will eventually include the pelletisation in direct reduction plants, as well as a massive rolling mill and steel mill, will be built by a West German consortium consisting of Salzgitter, Korf, Krupp, Siemens and Demag. It will be the world's largest steel complex based on the direct reduction method of steel production.

The price being asked by the West German side for the first two parts of the complex is significantly higher than anticipated when the project was first discussed three years ago and this almost certainly means that the asking price for the entire project will increase well beyond earlier estimates of DM3.5bn. which the Soviet promised to pay in cash.

Part of the increase in costs is attributable to inflation but another major factor in the rising cost of the project is the Soviet insistence on an extremely high quality of finished steel and a high level of precision in the plants' equipment which does not at present exist in a single large-scale steel producing complex anywhere in the world.

If contracts are agreed construction can begin in the middle of next year and the plant can begin operating in mid-1979. Technical and commercial proposals for the rolling mill and steel mill are expected by the end of the year, with construction on these parts of the project beginning in late 1979, assuming no major delays in signing contracts.

Tass, the official Soviet news agency, has said that the entire complex near Stary Oskol, 400 kms. south-east of Moscow in the region known as the Kursk magnetic anomaly, will have a plant annual productive capacity of 5m. tons of iron pellets and 2.7m. tons of rolled steel.

The iron-ore deposit in the 1,000 square kms. around Kursk, the region's largest city, are believed to be the richest in the world. The Soviets have claimed that they contain one-third of the world's supply of iron-ore.

Two years after work began on the Stary Oskol complex it is expected that work will begin on a second phase of the project at a cost estimated at DM2m.

The West German-Soviet project arose out of an agreement in 1974 when the Russians agreed to pay cash for the Stary Oskol complex's first phase. They have never reneged on this, although the Soviet balance of payments has deteriorated in the meantime and the cost of the project has risen. It is expected that the Soviets will ask for credit arrangements for the anticipated 1979 expansion of the project at the Stary Oskol site.

The Kursk project is expected to have a tremendous effect on German industry. The network of sub-contract work involved is expected to directly or indirectly affect the majority of German industrial enterprises. It is also considered likely that sub-contractors in other European countries will benefit from the project, possibly at Soviet insistence if they offer prices lower than those offered by German firms for the same products or services.

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Barre prepares economic plan

BY RUPERT CORNWELL

PARIS, Sept. 1.

THE NEW French Prime Minister, M. Raymond Barre, has given himself a fortnight to draw up his eagerly awaited economic strategy to control inflation.

The present plan, mapped out at to-day's first regular Cabinet meeting of the new Government, is for M. Barre to make a statement on the economy on September 15.

But it remains unclear whether detailed measures will be unveiled then or alongside the key 1977 Budget, due to be presented a week later.

The contents of the programme remain a matter of guesswork, but in addition to probable cuts in public spending and a stiffening of credit restrictions, the Government is not concealing its aim of securing some kind of incomes policy to moderate the growth of wages.

However, these plans could be thrown out of gear by renewed trouble on the agricultural front as disgruntled farmers dismiss last week's allocation of Frs.2.2bn. (£250m.) of emergency drought aid as both inadequate and unfair.

A further review has already been promised at the end of September, and the odds are that no large-scale disturbances will break out before then—despite the present sporadic unrest in the South West and yesterday's invasion of the Préfecture in the city of St. Etienne by angry farmers.

After agreeing to discuss their grievances with the 350 intruders, the Prefect was seized by a group of six or seven rowdies and only freed after vigorous intervention by a detachment of CRS riot police.

The underlying problem is the difference between the Frs.5 to 6bn. of drought damage estimated by the Government and the figure of up to Frs.10bn. (£1.16bn.) put forward by agricultural organisations.

The present intention is to raise the money by a bitterly-contested extra levy on top of 1975 income-tax; but should the more pessimistic prediction prove correct, then a state loan or even extra taxation might be needed.

Mintoff claim of Khedaffi oil threat

By Godfrey Grima

MALTA, Sept. 1.

LIBYAN PRESIDENT Muammar Khedaffi is claimed to have threatened to cut off all oil supplies to Malta in the event of a nationalist party gaining power at the coming general election and turning to Nato for help.

This was asserted by Maltese Premier Mr. Dom Mintoff, and quickly whipped up sharp reaction from the opposition nationalists headed by Dr. George Borg Olivier.

Mr. Mintoff's statement was delivered at a party rally last night within a few hours of conferring with President Khedaffi in Tripoli on his way home from an Algiers meeting with President Boumedienne.

Mr. Mintoff said President Khedaffi was displaying keen interest in the Maltese elections.

Asked what stand the nationalists were taking, Mr. Mintoff answered: "The nationalists are *obtaining certain small concessions*, stating they will bring Nato back to Malta if they win and at the same time expect Libya to continue providing Malta with crude supplies on favourable terms.

Dardanelles collision

BY METIN MUNIR

ANKARA, Sept. 1.

A TURKISH submarine and a Soviet vessel were in collision at dawn this morning in the Dardanelles, the narrow strait connecting the Aegean and Marmara Seas.

The accident was disclosed in a short communique released by the Turkish General Staff here.

Meanwhile, the Turkish State *survey vessel Sismik 1 Hora left* the Aegean port of Izmir this afternoon on what will be her last and longest off survey mission in the Aegean Sea. The Hora will work between the Greek islands of Limnos in the north and Naxos in the south in an area sandwiched by Greek archipelagos east and west. She will cover 2,000 nautical miles and set off 110 seabed explosions for taking soundings.

The expedition will last for 25 days, embracing the three *remaining regions in the official* research programme.

The area is sensitive because it is claimed by both Turkey and Greece.

DENMARK'S ECONOMIC PROBLEMS

Trouble round the krone

BY HILARY BARNES, IN COPENHAGEN

AGREEMENTS reached in the early hours of the morning after days of dramatic negotiations are as much a part of Danish political life as they are of the EEC's Ministerial Council. Last month after a typical see-saw battle which at times seemed certain to lead to a new election, the Social Democratic minority Government managed to obtain the last-minute support of the Conservative Party and thereby brought off a major compromise deal on economic policy.

The measures which the Government carried were in essence twofold—a conventional attempt at demand management by public spending cuts and increases in indirect taxation and a less conventional attempt at incomes policy, which it is hoped will hold the increase in incomes in the next two years down to six per cent. a year. The Government's plan is to restrain the growth of the Danish costs level, thus improving the competitive position of exporting industries and averting the only alternative solution to the costs problem—a devaluation.

Denmark has endured current balance of payments deficits in every year since 1963, and the deficits are typically largest when both the Danish economy and those of its major trading partners are operating at or near full capacity. This time, however, Denmark jumped the gun, boosting domestic demand last autumn by a temporary five-month reduction of Value Added Tax from 15 to 9½ per cent.

The result was a consumer spending boom of unprecedented and unexpected proportions. The volume index of retail sales was 14.5 per cent. higher during the five months of the cut, ending in February, than in the previous five months. Sales of cars, caravans, colour television sets and similar goods have remained at record levels ever since.

This has left the first-half current balance of payments deficit looking unusually unhealthy. The Kr.5.8bn. deficit was larger than the previous record annual deficit of Kr.5.7bn. in 1974. This year's first half deficit was running at a rate of about 4½ per cent. of Gross Domestic Product.

International money markets are in a happily liquid state, and the public sector has had no difficulty in raising over Kr.7bn. (about $1.1bn.) in foreign loans so far this year, but the country's net foreign debt is now in the region of Kr.32bn., or about 14 per cent. of GDP (Kr.127bn. in 1975). Debt servicing of public sector long term loans alone will come to almost Kr.3bn. next year, or roughly five per cent. of export revenues.

The Government would have liked to be able to ignore the payments problem, as unemployment is still at about five per cent. of the total labour force, and the *situation was altogether* too serious.

There are several parts to the Government's economic measures—selective support for exports; industrial investment and employment; modest spending cuts in the 1977-78 fiscal year and the 1978-79 fiscal year; large indirect tax increases designed to control consumer spending and imports; and the incomes policy, which is sweetened by small income tax concessions and dividend controls in order to prevent business cashing in on wage restraint.

The indirect tax increases—on drink, tobacco, and cars, plus a new tax on energy to be enacted in October—will bring in about Kr.4.5bn. *in a full year,* equal to about 3½ per cent. of private consumption. With most of the indirect tax increases applying immediately, the effect on consumer demand and the trade gap should be significant over the next few months. But the effect of the combined measures on the state budget, and therefore on total domestic demand, may be fairly modest next year. It is officially estimated that the measures will reduce the Government's borrowing requirement from Kr.20bn. to Kr.17.5bn.

The incomes policy part of the agreement aims to curb incomes in several different ways. First, the Government has set a *general framework for incomes* increases of 6 per cent. a year in 1977 and 1978. Secondly, the trade unions and the employers have been told that when they start the usual collective bargaining sessions next spring there will be a maximum margin of up to 2 per cent. increases. If unions do not accept this voluntarily, there is an implied threat that the Government will take the labour market mediators' draft compromise settlement—of which there is bound to be at least one —and put it on the statute book. This has been done before.

Finally, the Government has modified the consumer price-linked wage escalator system. A Kr. 0.60 an hour wage and salary rise is given for every three-point rise in a special consumer price index, averaged out each six months. But the Government proposes to pay any additional increases that may fall due into the National Pension Fund. Employers will therefore be spared this additional cost and consumers will be unable to spend the *extra increase until such* time as they draw their pensions. Price and profit controls have also been extended to the liberal professions.

The Government itself is making no extravagant claims on the effect the measures will have on the country's balance of payments. It estimates that the current deficit will be reduced from about Kr.9bn. this year to about Kr.7bn. in 1977 and Kr.5bn. in 1978. When debt servicing requirements are taken into account, this still leaves the *country with an enormous external* borrowing requirement.

Economists feel that a devaluation is the only way to solve Denmark's problems.

Last month's agreements did not deal with credit policy. This, however, also needs to be considered since it is part of the economic dilemma currently facing the country. Largely because of the budget deficit, the *broad definition money supply* has risen by about 2 per cent. for some nine months now. The situation is being controlled, on the one hand, by keeping interest rates very high (at over 15 per cent. for mortgages, for example), and, on the other hand, by a credit ceiling on bank advances which is so rigid that banks are being squeezed out of the market for new credit. Their net credit supply increase last year was zero, and it is doubtful that it will improve this year. This would seem to be a classic case of public sector credit needs crowding out the private sector.

Politically, last month's agreement was also significant. At first, the Government measures were supported by the three small centre parties — the Radicals, the Centre Democrats and the Christian People's Party. At the last minute, however, the Conservatives, at present in a state to fight an election, agreed to support the Government after *obtaining certain small concessions.* The main opposition party, the Liberal party, was conspicuous by its absence. Last year it was one of five parties which supported a three-year economic policy declaration of intent.

Commentators agree that the agreement was a victory for Prime Minister Anker Joergensen and a defeat for Liberal leader Mr. Poul Hartling, who has now offended the smaller parties of the centre and the right. Although the right has a majority in the present Folketing (Parliament), there is virtually no chance of a non-Socialist Government being formed in the near future, whether or not elections are held soon.

Economically, the measures are seen as mitigating but not solving the country's balance of payments problem. More and more economists, including Mr. Thorkil Kristensen, former secretary-general of the Organisation for Economic Co-operation and Development, are saying in public that a devaluation is the only real solution to the costs problem *—namely that hourly wage costs* in Danish industry are higher than anywhere in the world except Sweden and Norway.

But as long as the wage escalator system is kept, so that import price increases arising from a devaluation are automatically passed on as a wage increase, the Government understandably refuses to contemplate devaluation. Whether or not this is a realistic attitude will depend partly on the West Germans, on whom the Danes, as members of the EEC currency snake, are increasingly *dependent. If, as the deputy* chairman of the Bundesbank, Herr Otmar Emminger, has suggested, the snake arrangement cannot be sustained in the long run, the Danish krone will be in trouble.

مكتبة الأمل

HOME NEWS

National Cash Register to end 600 Dundee jobs

BY RAY PERMAN, SCOTTISH CORRESPONDENT

REDUNDANCY NOTICES were given yesterday to 600 workers at National Cash Register's factories in Dundee, the city with a male unemployment rate of over 11 per cent.

Dundee has watched the decline of NCR from its peak during the changeover to decimal currency when it was employing more than 6,000 people in nine factories.

The latest lay-offs, to take effect between December and February, will reduce the work-force to 1,300 in three plants and are likely to result in two 100,000 square feet factories being placed on the market.

NCR came to the city in 1946, the first of a number of multi-nationals to take up the slack left by the decline of the traditional industries of jute and jam-making. While the company was making mechanical accounting machines and cash registers, its demand for labour was high, but its needs declined steeply after the introduction of electronic machines.

The Dundee factories now undertake mainly final assembly, with most of the components being bought from other manufacturers, many from abroad.

NCR said yesterday that it had done everything possible to mitigate the effects of the run-down, including severely curtailing recruitment in recent years and redeploying labour. It deeply regretted having to take the action, but could not remain viable with a labour force bigger than the market would support.

Mr. Colin Westwood, chairman of the shop steward's committee, said that a campaign would be mounted to resist any move to put people out of work. One result of the announcement will be increased pressure on the Government to relieve unemployment in the city.

Mr. Bruce Millan, the Scottish Secretary, who is to visit Dundee on Tuesday, will face a demonstration demanding that Tayside should be made a special development area.

More controversially he is also likely to be asked to soften the Government's line on public expenditure cuts by local authorities so that 300 redundancies among the direct labour force of Dundee District Council could be avoided.

Mr. James Gories, development officer for Tayside, said that the city also needed more small advance factories to attract new investment.

'Return' of oil tankers poses threat to freight rates

BY JOHN WYLES, SHIPPING CORRESPONDENT

THE STEADY withdrawal of oil tankers from lay-up continued last month and is now posing a serious threat to the present fragile stability of freight rates.

London tanker brokers are becoming increasingly anxious about the number of tanker owners attracted by present rate levels into bringing their ships out again.

Mr Hilmar Reksten, Norway's biggest tanker owner until the slump brought him to near financial collapse is understood to be among those planning to put laid-up vessels back into the oil trade.

According to figures compiled by Howard Houlder (Chartering), 55 tankers totalling more than 5.5m. deadweight tons were removed from the lay-up list in August.

While some of these ships will have gone straight to the breakers' yards most are hoping to break into a trading pattern which has helped to stabilise recent freight levels at around Worldscale 30 for spot voyages out of the Gulf.

Houlder calculates that tanker and combination carrier tonnage still idle amounts to 449 vessels equalling 42.5m. dwt compared with 504 (48m. dwt) at August 1 and 514 (49.9 dwt) on July 1.

So far, the spot market has managed to absorb the extra tonnage without a significant fall in rates. But some brokers now regard the market as extremely fragile, with recent activity prompted more by anticipation of an OPEC price rise at the end of the year than by an underlying recovery.

While demand for Very Large and Ultra Large Crude Carriers is holding steady, Lambert Brothers Shipbroking warned yesterday that an oil price rise could halt general economic recovery.

Pointing to slack demand for smaller vessels in the 70,000-125,000 dwt range, John I. Jacobs, in its weekly report, says that "there is reason to think that it is somewhat premature to be too optimistic about market prospects for the balance of the year."

Tameside accused—'school chaos'

A LABOUR MP yesterday attacked the Tory council at Tameside, Greater Manchester, for causing educational chaos and depriving 46 children of a school. Government Whip, Mr. Tom Pendry, said he was preparing a dossier on the "sorry story. The Tameside education authority can no longer shuffle the blame on to others. This is where the buck stops," he said.

Although the new school year got under way at Thameside to-day, the 46 children at the centre of the row were given an extra week off. A selection panel, which allocated grammar school places at the request of the authority, has not yet had a chance to study their records.

"The Authority won a legal battle to retain selection at two of its five grammar schools in defiance of Government policy.

Mr. Pendry, whose Stalybridge and Hyde constituency covers much of the Tameside area, said: "As predicted, the term in Tameside has started with chaos. If Mr. Donald Thorpe, chairman of the local education committee, does not think that 46 children being without a school is anything other than chaotic, he is living in cloud-cuckoo land.

As 3,000 children reported to Tameside's 21 secondary schools for the first time yesterday, Mr. Geoffrey Mayall, Tameside director of education, said the selection panel which had allocated children to the authority's two selective grammar schools would consider to-day and Friday the cases of the 46 without places. Their records had not been available during the summer holiday, so they had been asked to stay away from school for a further week.

● NEWS ANALYSIS—INSURANCE

Invisible, but strong

BY ERIC SHORT

THE OVERSEAS earnings of the financial institutions, commonly referred to as invisible earnings, have always played a vital role in the U.K. balance of payments, with each year showing an increasing positive balance

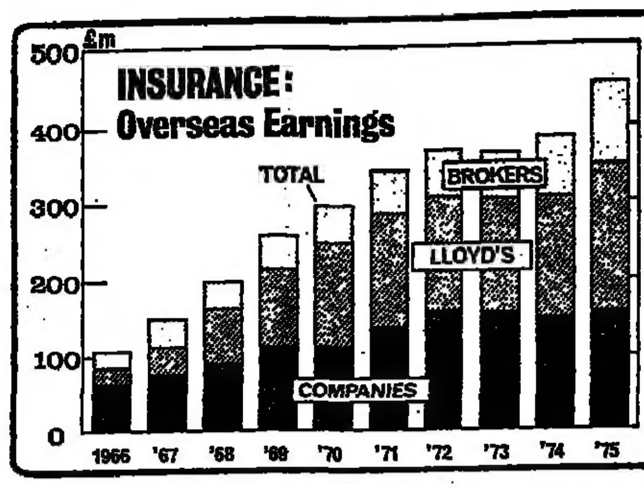
The insurance industry has for many years been the largest single earner of invisibles. The overseas earnings for 1975, published this week by the Central Statistical Office, showed that this pre-eminent role of the insurance industry has been strengthened.

The overseas earnings of The City rose by 13 per cent. in 1975 to £978m. with earnings of the insurance sector increasing by a slightly higher percentage to £452m.—44 per cent. of invisibles.

The next highest contribution, £216m., comes from brokerage and others, while the banking sector had net earnings of £135m.

The record over the past 10 years shows that the insurance sector has consistently maintained its growth in spite of intense and growing competition from overseas insurance centres.

This should not be surprising, considering that London has been a world insurance centre for two centuries.



Overseas

At present, about two-thirds of non-life premiums comes from overseas business, while with Lloyd's underwriters the proportion is three-quarters. The leading insurance brokers also obtain the majority of their business from overseas.

There are three main sources of earnings from overseas business, the first coming from the trading operations in the form of overseas profits or losses.

The underwriters—the insurance companies and the Lloyd's syndicates—receive the premiums for the risks taken on the portfolio, out of which they meet their expenses, then pay the claims arising from that business.

This business is transacted either as overseas business written in the U.K.—Lloyd's writes all its business on the home account, having no overseas branches or subsidiaries—or passed through subsidiaries based on the country where the business originates.

A considerable amount of overseas business done by the major U.K. composites is through subsidiaries.

The second source of earnings is the income which arises from the investments held overseas by insurers—companies and Lloyd's. The premiums when received are invested until the claims have to be paid.

There is usually a substantial time-lag between these two events, and the high rates of interest available in most countries has resulted in a considerable growth of investment income. In addition, interest is earned on the reserve funds held overseas.

The Central Statistical Office tables show that Lloyd's has considerably improved on its underwriting contribution in 1975 from £136m. to £164m., while the companies, in contrast, fell back slightly.

However, the investment income of the companies improved by £16m. to £70m. while that of Lloyd's advanced marginally to £26m.

This reflects the difference in method of operation of the companies and Lloyd's, the companies being much more investment-oriented and having much larger reserve funds available for investment.

However, the combined earnings of the companies and Lloyd's underwriting and investment income has shown a steady growth over the past 10 years, *the companies having more than* doubled and Lloyd's earnings being nearly 10 times higher.

The third main source of the insurance industry's invisible earnings comes from the overseas trading of the insurance brokers. Growth here ha[s] quadrupled in the past 10 years reflecting in part the increasin[g] amount of overseas business in[-] surance brokers handle.

Impressive

Impressive though thes[e] figures are, they tell only on[e] part of the broker's role i[n] invisibles. A large part of th[e] overseas business of U.K. in[-] surance companies arises fro[m] business obtained by brokers an[d] all business at Lloyd's has to b[e] placed by brokers

A recent survey revealed tha[t] about 130 broking firms hav[e] some overseas business, most o[f] it provided by the top 20 com[-] panies.

During 1974, it was found tha[t] 11 leading firms had sent 1,20[0] executives during the year t[o] more than 70 different countrie[s].

One leading broker had sen[t] executives on 125 separate ove[r-] seas trips involving a total o[f] 2,315 days spent outside the U.K.

With such a performance, [it] is perhaps surprising to fin[d] that only one insurance brokin[g] company—Minet Holdings—ha[s] received the Queen's Award fo[r] exports. But brokers now hav[e] representation on the Committe[e] for Invisible Exports.

The good results for 1975 o[f] Lloyd's and the brokers aris[e] from a resurgence in the Nort[h] American market with goo[d] business being written on profi[t-] able terms.

A lot of business from th[is] source was lost in the ear[ly] 1970s when there was a rat[e-] cutting war by the Nort[h] American domestic insurers, [in] which Lloyd's refused to parti[-] cipate.

That business is now returnin[g] and growth is being held bac[k] by a lack of sufficient capacit[y]. But the trend augurs well fo[r] this year's earnings.

BBC TV's £6m. programme shortfall

BY ARTHUR SANDLES

WHEN BBC-1's executives meet to-day for discussions about the 1977/78 programme plans, they will be told that there is a short fall of £6m. between what is proposed and what is financially practicable.

BBC-1 programme controller Mr. Bryan Cowgill said yesterday that there could not be extra spending now in anticipation of any licence fee rise next spring. "Anyway, you do not produce change simply by dropping money in."

In spite of this, the BBC hopes to have more original programming and fewer repeats in 1977, particularly in the summer months which this year were rescued to some extent by Olympics coverage.

It remains to be seen how far the Government will go towards helping the BBC out of its financial difficulties. There are suggestions that the Corporation would like a £27-a-year colour-TV licence fee (it is £18 a year at the moment) but, as Mr. Cowgill suggests, the implementation of this would come far too late to help with 1977/78 programming.

Even with an increase on this scale, the Corporation could not take advantage of some of the deals it has been offered recently. Notable among these was a suggestion from MGM that the BBC should pay $1m. for the right to show Gone with the Wind once at prime time.

At the moment the Corporation has a £60,000-an-hour limit on purchases or productions and even though Gone with the Wind runs for more than three hours the deal was still impractical.

"If we had been able to buy three showings for that price we might have been able to start talking," said Mr. Cowgill. "But even then what could I have said to a drama producer who wanted money for something?

"For the same money, I could make 36 Porridges."

● Mr. Cliff Michelmore has ended his exclusive contract with the BBC and is turning freelance. One of his new jobs will be host on ITV's Stars on Sunday programme.

Mr. Michelmore will be one of a team of hosts replacing Wilfred Pickles who was dropped last month. Mr. Michelmore, 56, who lives in Reigate, Surrey, was a mainstay of BBC current affairs programmes in the past.

He has spent his entire 27-year career in broadcasting with the BBC.

"I had a contract which kept me exclusively bound to them. It seemed to me the time had come to say 'Let me go and do other things with other people'."

Mr. Michelmore will continue to work for the BBC and is at present working on a new series of holiday programmes starting in January.

Drake and Cubitt plans to cut ex-chairman's consultancy pay

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

DRAKE AND CUBITT, the electrical, mechanical and general engineering company in which the Government is to take a minority shareholding, is negotiating to cut the value of the controversial consultancy agreement—estimated to be worth around £100,000—with former chairman Mr. Robert Potel.

The move was disclosed yesterday as shareholders formally approved a set of resolutions to clear the way for the injection of £700,000 of Government aid and the sale of the Cubitt civil engineering subsidiary to Tarmac for £5.3m.

The group has recently incurred some very heavy losses on fixed price contracts and at one stage a complete collapse seemed possible. Under the Government package, up to £2.45m. in aid will be ultimately available, which would provide the State with a 38 per cent. stake in the company.

Mr. Potel's agreement, which runs until 1986, came into effect last year after he had resigned his position as chairman for health reasons. He remained as a non-executive director, however, and is still one of the largest shareholders, with over 1.1m. shares.

Under the terms of his agreement, Mr. Potel is receiving a salary of over £17,000 a year—subject to indexation and with part payment in Belgian Francs—until next October. From that date until the contract expires in 1986 his remuneration is reduced to £10,000, also on an index-linked basis.

Disclosing that negotiations were underway to reduce the value of the consultancy agreement, Mr. Michael Abbott, chairman of Drake and Cubitt, said that Mr. Potel had indicated he intended to step down from the Board.

He told shareholders: "Active negotiations are currently taking place for a reduction of Mr. Potel's agreement. He has authorised me to say that shortly after the passing of to-day's resolutions he will wish to resign from the Board on mutually acceptable terms."

Mr. Abbott told yesterday's meeting that the restructed group was now expecting "a satisfactory profit for the year as a whole."

In the year ending last October, the old group showed a trading loss of £4.3m. and in the first six months of the current year had a pre-tax profit of £17,000, against a £196,000 loss last time from those companies which will now be remaining in the group.

Mr. Abbott said that talks were underway to get Drake and Cubitt shares requoted, although it could be up to three years before the company was in a position to consider payment of a dividend.

He added: "What has happened over the last few years has been partly due to inflation, partly due to bad luck and partly due to lack of management in certain respects." The longer-term prospects, however, were brighter.

Swedes aim for stake in Thistle

By Ray Dafter, Energy Correspondent

THE SWEDISH oil industry [is] planning to take a significa[nt] stake in North Sea exploratio[n] and development.

Svenska Petroleum, the Stat[e-] owned Swedish oil group, [is] negotiating the acquisition of [a] share in offshore oil reserves.

Details have not been di[s-] closed, although it is known th[at] the company has discussed wi[th] Santa Fé the possibility of bu[y-] ing a stake in Burmah's Thist[le] Field. Santa Fé at present has [a] 21.65 per cent. interest in Thistl[e].

Confirmation of Svenska Petr[o-] leum's continued interest in th[e] North Sea comes from repor[ts] in Sweden. Mr. Sture Agval[l], managing director of the Stat[e-] owned group, is quoted in th[e] business weekly Vaeckar Affaerer as saying that possib[le] joint-venture stakes coul[d] amount to about Swedish Kr.1[m] (£128,000).

Talks were being held wi[th] British and U.S. concerns, i[n-] volving two different projects, [it] said. The London-based discu[s-] sions would aim at givin[g] Svenska Petroleum ownershi[p] over certain quantities of oil [at] source. Contracts were expecte[d] to be ready by the end of th[e] year.

Whereas Svenska Petroleum [is] interested in gaining a foothol[d] in commercial production, th[e] Swedish exploration group Petr[o-] swede is anxious to become i[n-] *volved in future exploratio[n]* work.

It is likely that Petroswe[de] will form a joint venture wi[th] other groups in a bid to win co[n-] cessions under the fifth round [of] U.K. offshore licences. These a[re] expected to be awarded at th[e] end of the year or in January.

Leyland dealers 'better off'

By Terry Dodsworth

A SURVEY of the major motor distributors in Britain has come up with the surprising conclusion that British Leyland's larger dealerships are more profitable than those of Ford.

Despite Ford's superior record of profitability, the report shows that BL's ten largest privately owned dealers are 32 per cent. more profitable than their Ford equivalents. The total sales of the two groups of dealers are almost equal.

The survey, published by Jordan Dataquest of London, measures the companies on both a profit-to-sales ratio and a profit-to-assets ratio. The Leyland dealers, it says, made an average of 2.5 per cent. return on sales, and 8.3 per cent. on assets; Ford dealers made 2 per cent. on sales, and 6.0 per cent. on assets.

Even lower down the scale of dealerships, Leyland franchise holders appear to be doing as well, if not better than, their counterparts at Ford. Of the 178 BL dealers examined, 11 were loss-making, while 29 out of 210 Ford distributors made losses in their last filed year.

A large number of companies showed a fall in turnover within their latest filed year—the survey generally covers companies up to the 1975 financial year. But Jordan Dataquest says that the trade is now enjoying better demand and higher profitability. Among the 20 largest Ford dealers whose accounts reflect some part of 1975 trading, 17 show an increase in sales.

The survey, price £28, is available from Jordan House, 47, Brunswick Place, London N1 6EE.

Petrol rises jam the pumps so customers must do own sums

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

THE DEPARTMENT of Prices and Consumer Protection has agreed to relax its petrol pump price indicator regulations because of mechanical problems in some of the country's 120,000 pumps.

The agreed modifications, which mean that retailers will be able to blank out the price-to-pay indication on some pumps, or alter it to indicate a price per half gallon, were criticised as "confusing" by the Consumers Association last night. But the Association added that, although not welcoming the measures, it could understand why they had been taken.

The problems arose because of strain on mechanical components in the pumps' price-measuring equipment as inflation has pushed up prices faster than expected. In a small number of cases—about 1 per cent., says the Department—the components broke down, leaving the retailer unable to use the pump.

Under a current regulation, pumps designed to show both the amount of fuel bought and the price-to-pay must have both indicators working. The Prices Department is now waiving that regulation to keep the pumps going.

Comments from the trade last night suggested that most petrol stations encountering difficulties with their pumps would pick the half-price display solution, rather than blanking out the price-to-pay completely. This means that the mechanism will be recalibrated to show half the price a customer should pay for any given amount of petrol. Petrol stations will be required to show clearly that the amount indicated must be doubled. By recalibrating to the half-price system, most of the damaged pumps can be brought back into operation because they can cope with the slower recording.

The new scheme came into operation yesterday for an indefinite period. It was worked out by the Prices Department, the retailers, oil companies and petrol pump manufacturers. Last night Mr. Goldie Goldsmith, chairman of the National Petrol Committee of the Motor Agents' Association said: "We support everything the Department has said, and affirm that there should be no increase in the price of petrol to the consumer because of this scheme."

Marconi books £6m. order

An order worth more than £6m. for the first aerial system at the Post Office's new satellite earth station at Madley, Herefordshire, has been placed with Marconi Communications Systems.

The aerial is due to come into service early in 1978. It will work to a satellite over the Indian Ocean, handling all satellite communications between the U.K. and the eastern hemisphere up to the early 1980s and taking over the work of Aerial One at Goonhilly Down, in Cornwall, the Post Office's existing earth station.

More than half the telephone calls from Britain for places beyond Europe go by satellite. With an annual growth rate of more than 20 per cent., international telephone calls are one of the fastest growing sectors of telecommunications, rising last year from 78m. to more than 92m.

Travel agents 'fail to uphold conduct code'

TRAVEL AGENTS were criticised yesterday for failing to live up to the voluntary code of conduct agreed two years ago between their trade association and the Office of Fair Trading.

A survey by the Consumers' Association for Holiday Which? found that very few travel agents provided the "total information service that the Association of British Travel Agents' code of conduct states they should."

The Office of Fair Trading said yesterday that it was pleased with the way the report had drawn attention to what appeared to be a weakness in the code and that it would be following the matter up with ABTA.

The association said that it was surprised by the magazine's findings. The majority of complaints it received were about tour operators rather than travel agents.

William Low cuts prices on big-selling lines

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

ANOTHER supermarket group has decided to concentrate its price-cutting activity on big-selling lines rather than spread the price cuts across smaller selling items as well.

William Low Supermarkets, which operates 44 shops in Scotland, said yesterday it intended running down its fortnightly programme of special offers on peripheral items of housewives' expenditure, such as some kinds of petfoods and less popular brands of biscuits.

The money saved would be used to offer bigger price cuts than before on 90 basic items such as bread and sugar.

The shops will continue to offer manufacturers' special offers outside the 90 selected items. But by stopping its own price cutting on non-essential lines, it hopes to be able to compete with the discount stores on basic lines while still maintaining its overall gross margins.

The price cuts resulting from this new policy will the company said, vary about ½p on butter to nearer 3p on some paper products.

Mr. Ian Stewart, managing director of William Low, said the company's research showed that what the housewife really wanted was the "certainty that her basic food requirements would be at the lowest possible price."

The signs were that the public was growing weary of the "perplexing ups-and-downs of special offers and the often illusory savings they are supposed to make on total household expenditure."

Several other grocery groups have tried this approach recently. Fitch Lovell's Key Markets subsidiary, launched a similar programme on 163 fast-selling lines in March while the Spar voluntary group of grocers says it is also concentrating its price-cutting activity on a smaller range of products, to give the customer worthwhile savings on items bought most frequently.

Undermined

The problem with this concept is, however, as Fine Fare found when it experimented with a similar scheme, that shoppers tend only to buy the items with the heavy price cuts, and go elsewhere for the other products, thus undermining the profit mix.

Moreover, because the volume comes from the essential items, the amount of money which can be saved by cutting out price-cutting on less essential brands tends to be relatively small, particularly when the savings are then spread across a wide range of fast selling products.

U.K. to press for Statfjord order

By Ray Dafter, Energy Correspondent

THE GOVERNMENT is expecte[d] to press for part of the wor[k] on a £500m. Norwegian oil pr[o-] duction platform to be carrie[d] out in the U.K.

It is anticipated that th[e] second production and storag[e] platform for the U.K./Norwe[-] gian Statfjord Field will be bui[lt] in Norway. However, in vie[w] of the British interest in th[e] field—British National Oil Cor[-] poration has a small stake—th[e] Government is anxious for a[t] least part of the work to b[e] undertaken in the U.K.

British platform yards an[d] offshore equipment manufa[c-] turers have been severely hi[t] by the hiatus in U.K. platform ordering over the past two years, a point likely to be stresse[d] by Mr. Anthony Wedgwoo[d] Benn, Energy Secretary, whe[n] he meets Mr. Bjartmar Gjerde, Norwegian Minister of Indus[-] tries, in London next week.

With most of the big Statfjor[d] Field lying in the Norwegia[n] sector, it has always bee[n] assumed in the oil industry tha[t] the next platform contract would go to a Norwegian contractor. The Norwegian industry ha[s] also stressed that it has been hi[t] by the slow-down in the offshore ordering programme.

Reports in Norway sugges[t] that Statoil, the State-owned oil company, and Mobil Oil, as the leading companies involved in Statfjord, will order a £500m. Condeep platform from Nor[-] wegian Contractors. This is the group that is constructing the first platform.

The four-legged platform is expected to be towed to the field in 1980.

IN BRIEF

Toyota's revised £5m. plans go before council

TOYOTA (GB) REVISED plans for a £3.5m. vehicle distribution centre at the Port of Bristol's new West Dock were submitted to Woodspring District Council yesterday. They are expected to be approved by the planning committee on September 13.

Toyota's original plans were refused an Industrial Development Certificate by the Department of Industry. The company has tried to frame its new plans in such a way as to remove the need for an IDC.

Fiats up

Fiat prices will go up in the U.K. by an average of 4.5 per cent. from September 22, but it is hoped to hold the present price of the 126 model until December. Fiats already in dealers' hands or on order will be available at present prices.

People's champion

Mr. Robert Kilroy-Silk, Labour MP for Ormskirk, has the best civil liberties record of Britain's 635 MPs, according to a National Council for Civil Liberties survey based on an analysis of voting, sponsorship of motions, and MPs' performance at Question Time. Most MPs, says the Council, show "a depressing lack of regard for civil liberties."

Food fears

Fears of higher food prices because of the drought have led to a sharp recovery in U.K. sales of freezers in the past two months. But in the first six months of 1976 sales were down 8 per cent. from 452,872 a year before to 415,628, according to figures released yesterday by the Food, Freezer and Refrigerator Council.

Belfast visit

Mr. David Steel, leader of the Liberal Party, will visit Belfast on Monday on a goodwill and study tour. He will meet representatives of the security forces and will discuss the political situation with Northern Ireland politicians.

New foundries

The first of two new foundries which will provide 80 jobs at Houghton-le-Spring, Co. Durham, is to be opened next week by Solidus Foundries International, to produce ferrous castings. A foundry to be opened later this year will produce aluminium gravity die castings.

Tanker jobs

Some of Greenwells Dry Dock facilities, Sunderland are to be used this week for the first time since the yard closed in March with the loss of 500 jobs. Month-long repair of a 62,000-ton tanker belonging to the Greek line Colocotronis will employ 120 men.

Mulley accused

Mr. Charles Clarke, president of the National Union of Students, attacked Mr. Fred Mulley, Education Secretary, for a year of "sheer wanton destruction and vandalism" at the opening of the Union's teacher education conference at Ormskirk.

Social switch

Guernsey's Parliament has been asked to approve an incomes-related social insurance scheme which would affect about 20,000 contributors now on a flat rate.

The maximum weekly contribution would be £7.14 for employed adult males.

Halt M-ways

Stoppage of all motorway construction and resumption of the Channel Tunnel project are urged in a booklet produced jointly by the Railway Development Association, the Walsall Area Passenger Group, and the West Midlands Action Committee for Public Transport in reply to the Government's Transport Consultative Document 1976.

Cotton process sales up

FINANCIAL TIMES REPORTER

SALES BY cotton and man-made fibre processing companies increased by more than 40 per cent. in the three years to the end of 1975, but the improvement was not matched by profits growth.

Figures published by Inter-Company Comparisons show that the average profit of 60 leading companies as a percentage of total assets in the latest year covered, 1974-75, was 8.8 per cent. against 9.6 per cent. in 1973-74 and 6.6 per cent. in 1972-73.

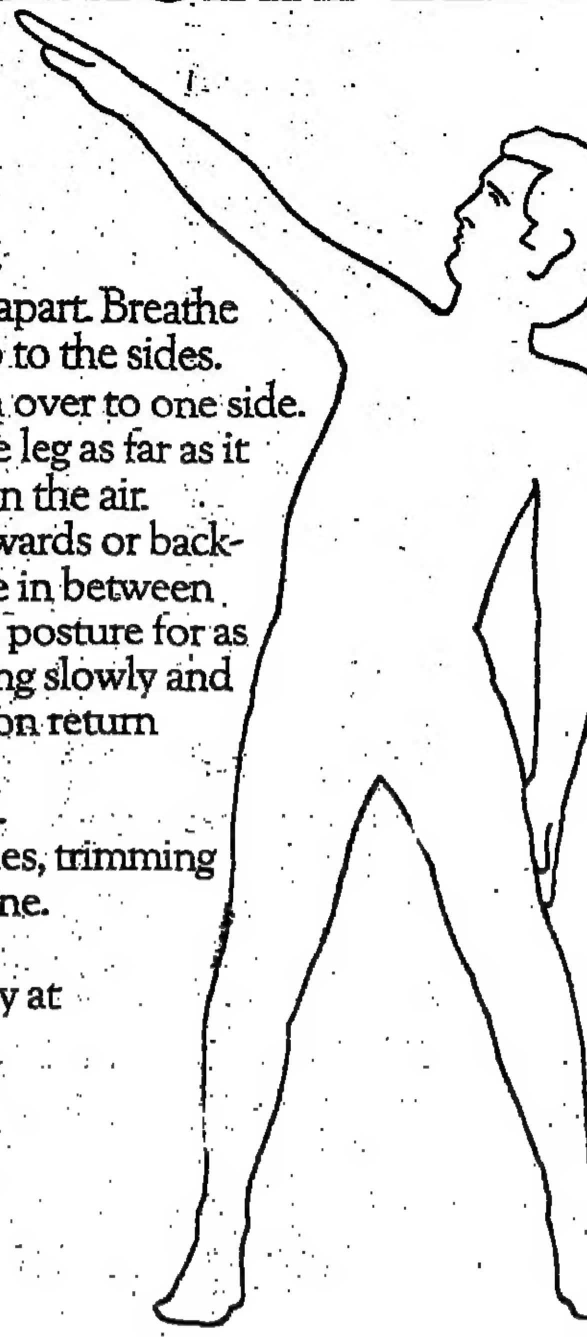
Profits as a percentage of sales fell back to 6.4 per cent. in 1974-75 against 6.9 per cent. in 1973-74 and 5.1 per cent. in 1972-73.

The report blames the lower profit levels in the later part of the period on the industry's inability to pass on all its higher costs, even though sales growth was itself largely accounted for by higher prices rather than increased volume.

Average sales per employee in the final year covered came to nearly £7,000, compared with £5,739 a year earlier and £4,915 in 1972-73, though one company achieved sales per employee of £27,000. Average capital employed per employee stood at only £2,469 in 1974-75.

Cotton and Man-Made Fibre Processors. ICC. 81, City Road, EC1Y 1BD. £35.

Five simple ways to achieve relaxation. One of them flies to New York every day.



EXERCISE 1.

Sideways stretching.

Feet placed comfortably apart. Breathe in and bring stretched arms up to the sides. Breathe out and slowly stretch over to one side.

Slide one hand down the leg as far as it will go. While the other stays in the air.

Take care not to lean forwards or backwards but imagine that you are in between two panes of glass. Stay in this posture for as long as is comfortable, breathing slowly and steadily. Gently on an inhalation return to upright position.

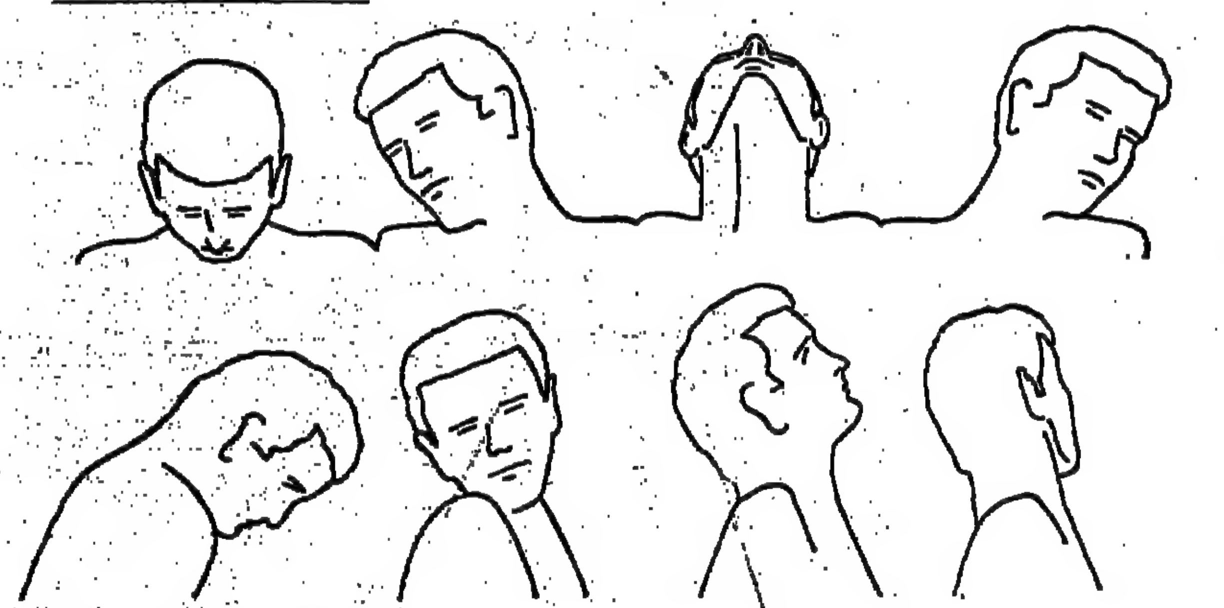
Repeat on the other side.

Stretches waistline muscles, trimming them. Brings suppleness to spine.

Strengthens legs.

Try it after a strenuous day at the office.

EXERCISE 2.



Circling the Head.

Loosens the tensions in the neck, back and shoulders.

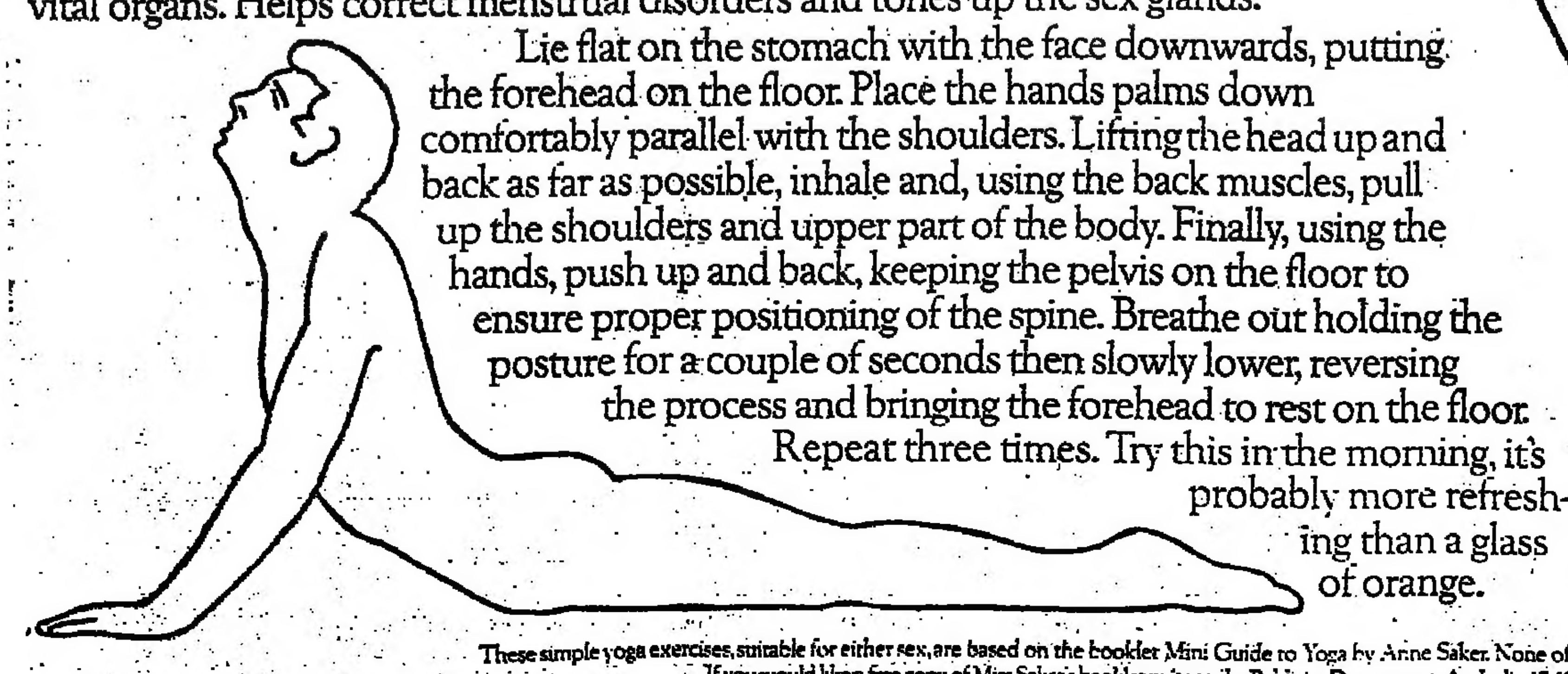
Sitting in an easy cross-legged position, or on any chair or stool, ensure the freedom of movement of the back and head. Drop the head forward and completely relax the neck. Moving from the waist, using the whole upper part of the body, let the head roll in a circle. Do not push it around but rather let it loll. In doing this the head moves completely freely and eases one of the worst tension spots we have. Circle from three to five times continuously in one direction, then repeat the other way. Remember to keep the jaw relaxed; yawning, sighing and deep breathing will all help. This exercise is usually noisy and painful to start with, but done for a few minutes daily quickly becomes a very pleasant way to relax.

Try this at your desk in the office between meetings.

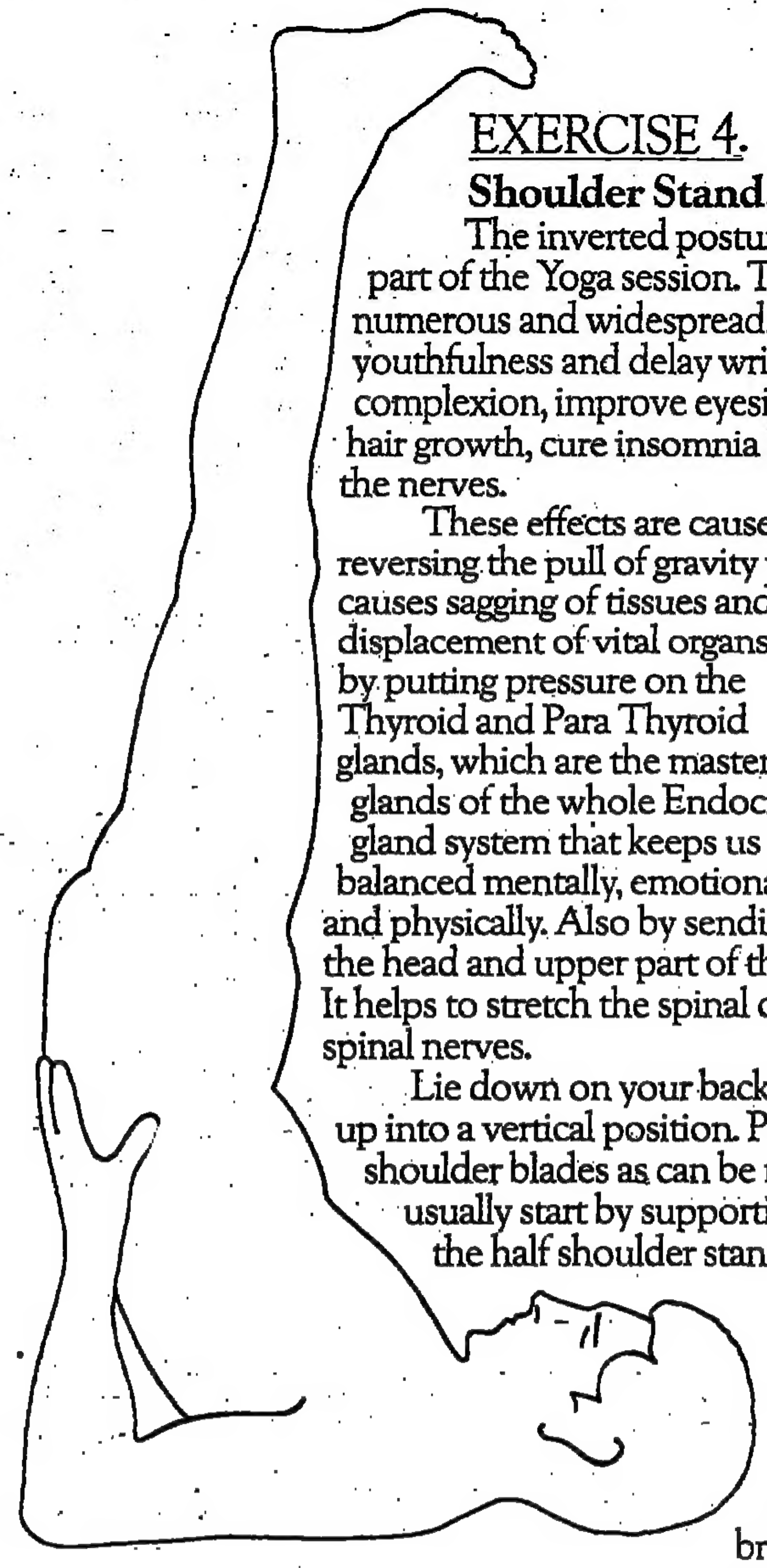
EXERCISE 3.

The Cobra.

Strengthens and straightens the back and spine. Excellent for stretching the neck, chest and stomach areas as well as thighs. Affects the Adrenal Glands and massages vital organs. Helps correct menstrual disorders and tones up the sex glands.



Lie flat on the stomach with the face downwards, putting the forehead on the floor. Place the hands palms down comfortably parallel with the shoulders. Lifting the head up and back as far as possible, inhale and, using the back muscles, pull up the shoulders and upper part of the body. Finally, using the hands, push up and back, keeping the pelvis on the floor to ensure proper positioning of the spine. Breathe out holding the posture for a couple of seconds then slowly lower, reversing the process and bringing the forehead to rest on the floor. Repeat three times. Try this in the morning, it's probably more refreshing than a glass of orange.

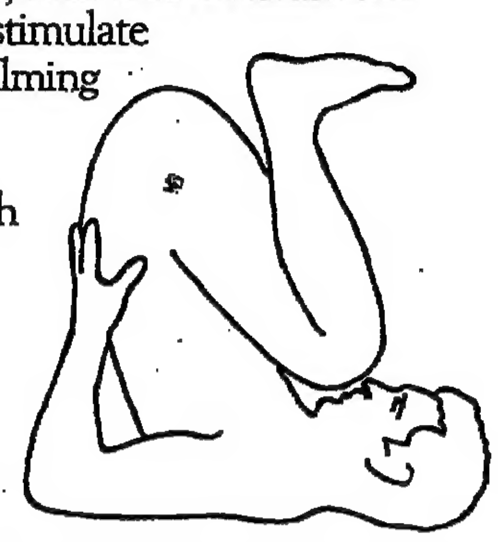


EXERCISE 4.

Shoulder Stand.

The inverted postures are an extremely important part of the Yoga session. Their beneficial effects are numerous and widespread. They can help you regain youthfulness and delay wrinkles, clear and revitalise the complexion, improve eyesight, stimulate hair growth, cure insomnia by calming the nerves.

These effects are caused by reversing the pull of gravity which causes sagging of tissues and displacement of vital organs, and by putting pressure on the Thyroid and Para Thyroid glands, which are the master glands of the whole Endocrinal gland system that keeps us balanced mentally, emotionally and physically. Also by sending an extra supply of blood to the head and upper part of the body it cleanses and revitalises. It helps to stretch the spinal cord and feeds and massages the spinal nerves.



Use of this simplified position alleviates strain on neck and chest. Is very relaxing and beneficial.

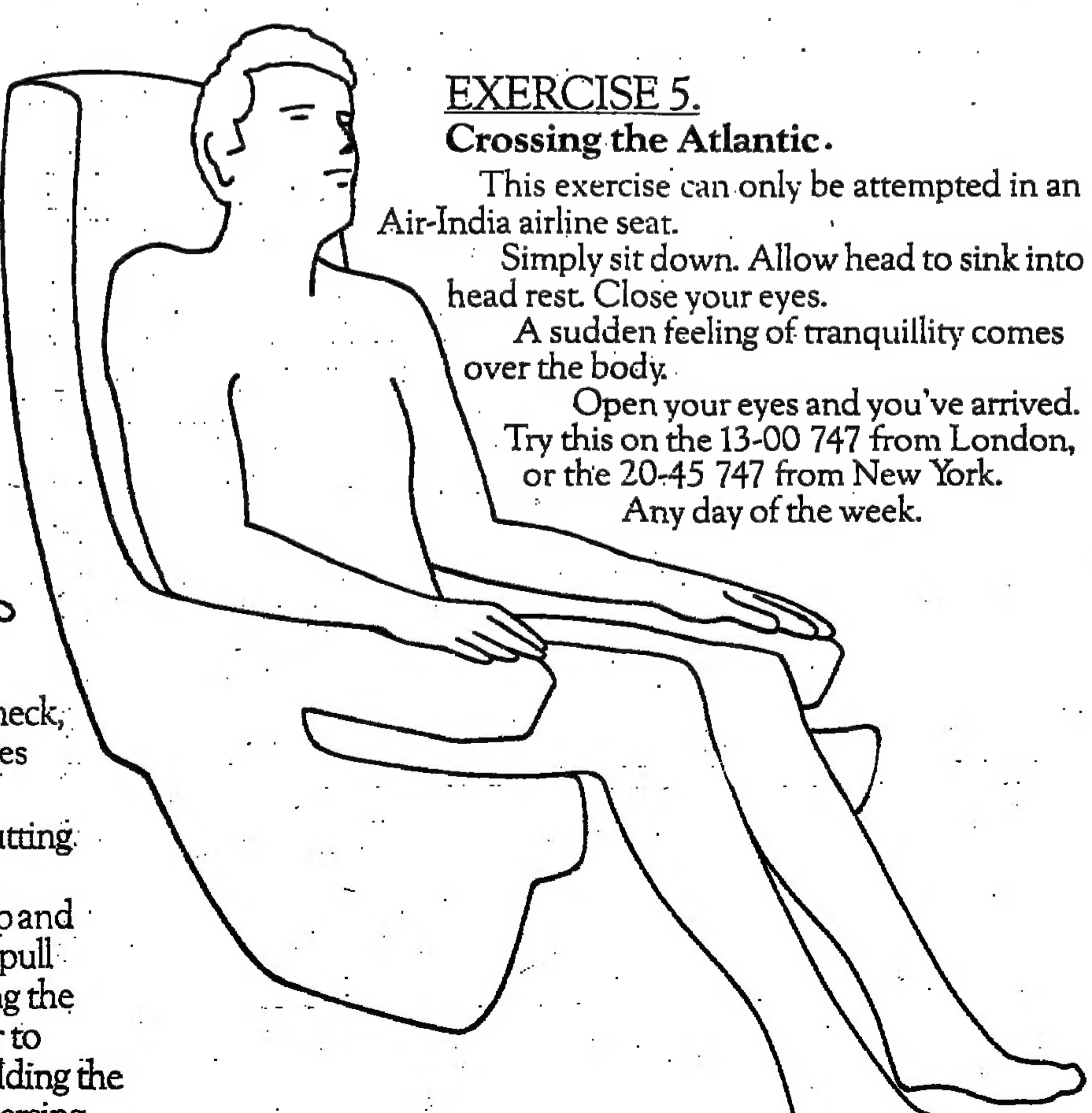
Lie down on your back and slowly lift the legs and body up into a vertical position. Place the hands as near to the shoulder blades as can be managed comfortably. Beginners usually start by supporting the hips or waist, known as the half shoulder stand.

With practice they are able to get into a straight line from the shoulders up. The chin is pressed closely into the chest, thus putting pressure on the Thyroid. Close the eyes and breath deeply using the stomach.

Stay in this position only as long as comfortable. A lot of beginners find this a painful posture, and indeed, some cannot get into the half shoulder stand. Remember, do not push yourself into painful positions; with a little patience and a relaxed attitude of determination it soon becomes easy.

Try this in your hotel room after a long day on the road.

N.B. This exercise should not be attempted during a menstrual period or if you suffer from heart disease.



EXERCISE 5.

Crossing the Atlantic.

This exercise can only be attempted in an Air-India airline seat.

Simply sit down. Allow head to sink into head rest. Close your eyes.

A sudden feeling of tranquillity comes over the body.

Open your eyes and you've arrived.

Try this on the 13-00 747 from London, or the 20-45 747 from New York.

Any day of the week.

AIR-INDIA

Merely the nicest way to fly.

These simple yoga exercises, suitable for either sex, are based on the booklet Mini Guide to Yoga by Anne Saker. None of them should be attempted within four hours of a large meal.

If you would like a free copy of Miss Saker's booklet write to the Publicity Department, Air-India, 17-18 New Bond Street, London W1Y 0BD.

LABOUR NEWS

Early retirements would cut mine labour by third

BY ROY ROGERS, LABOUR CORRESPONDENT

MINERS' LEADERS were told yesterday that, if they succeed in their demand to have the miners' retirement age reduced by 10 years to 55 by 1980, the industry would lose about a third of its labour force.

The warning came yesterday in a report drawn up by the National Union of Mineworkers' industrial relations department, and is clearly designed to soften attitudes in advance of negotiations due to be held with the National Coal Board in October.

It was discussed yesterday by the union's negotiating committee, which also decided to set up a working party to reconsider the contentious issue of an incentive scheme to boost flagging coal production.

NUM negotiators asked for the October meeting with the Board after hearing that the Board was not yet in a position to give a reply, given the wide implications of the early retirement demand. The claim for a five-year reduction in retirement age by next January, and further staged reductions over the next four years, came from this summer's annual NUM conference, which also demanded that full pay be maintained until the age of 65 and that miners should ballot on staging industrial action if the January deadline is not met.

The implications of the demand were spelt out yesterday in the internal NUM report which underlined the manpower shortages that could result. Some 117,000 of the industry's 260,000 miners are aged 55 or over, and, when the 16,000 annual recruitment figure and the 7,000 annual wastage figure are taken into account, it is estimated that the industry would be left drastically undermanned. Output, already well below target, would suffer.

Although it cannot meet these demands, the Board is not unsympathetic to the miners' aim of parity with their continental and U.S. colleagues who retire at between 55 and 60. In fact, the Board has suggested a voluntary scheme under which the retirement age would be reduced, in stages, to 62, although it wants the Government to finance it.

To date, the Government has refused, although the Prime Minister has stated in the House of Commons that the Government is aware of the miners' aspirations, and that the demands should be "seriously considered" because of miners' working conditions. NUM negotiators also decided that a working party should study various incentive payments schemes and report back to the full executive, which will then make recommendations to a special delegate conference.

Steel men strike over bonus change

By Ian Hargreaves, Labour Staff

OVER 1,000 machine shop workers at the British Steel Corporation's River Don works staged a 24-hour strike yesterday in protest at the corporation's decision to renegotiate a productivity bonus scheme.

The men, almost all of whom are members of the Amalgamated Union of Engineering Workers, say they will take further strike action if the corporation does not withdraw its announcement that the old scheme will be ended on September 30. Mr. Tony Hope, the engineers' works convenor, said that the Corporation had decided unilaterally to withdraw the productivity agreement, which had been in operation since 1968. The deal was worth about £15 a week, or 25 per cent of basic earnings, to men in the machine shop.

Mr. Hope said that an alternative scheme offered by the Corporation would mean a reduction in earnings for his members. "This scheme is a non-starter. We have no intention of taking a cut in bonus earnings, which the TUC-Government pay policy will prevent us from correcting. In any case, as we understand the spirit of the pay policy, it is not intended to take away what we have, but only to limit increases to £4. There will be pressure for further action, and I would support any call for indefinite strike action."

The Corporation was refusing last night to comment on the complaint that it was attempting to cut the men's earnings potential by renegotiating the scheme, but said that the matter should be dealt with under normal procedure. If a failure to agree was registered, it should be taken up at a higher level.

The River Don works produces large steel castings for the capital equipment market and, with an order book heavily dependent on the shipbuilding and power generation industries, is currently operating below peak capacity.

Newspaper row move by advertisers

By Our Labour Staff

PRINT BUYERS yesterday entered the dispute between newspapers and the National Graphical Association by refusing to deal with any paper which implemented the union's ban on work from "unrecognised sources."

The Institute of Print Purchasers, which represents some of the larger national companies responsible for the placing of advertisements in newspapers, said its decision meant that "we will only place ads with newspapers that accept art work and setting done by us and not necessarily by NGA staff.

"This has always been acceptable in the past and it will cost us, the customers, more if it all has to be reset. The ban is already causing us delays and will soon hit us in the pocket.

"If a printer will not accept, say, a block of art work done by us, many of the larger companies will perhaps set up their own press and that printer loses the work for ever."

Loss of jobs

The institute added that the only outcome of the dispute could be a loss of jobs for NGA members. The union has justified its ban on work from non-union sources on the grounds that the loss of work to those sources was harming its members' employment prospects.

Yesterday the Advisory Conciliation and Arbitration Service maintained informal contacts with both sides in the dispute which is preventing publication of about 50 provincial papers but no definite progress was reported.

Further talks were also held yesterday in an attempt to settle a separate NGA dispute, which has disrupted production of the Sunday Telegraph in recent weeks.

● Thirty-six members of the National Union of Journalists from the Sharman newspaper group in East Anglia have been told that their appeal, against fines and suspension for refusing to strike in sympathy with print workers last year will be heard next month.

Civil Service staff seeks say in TUC

BY OUR LABOUR CORRESPONDENT

MORE SPECIAL TUC congresses on key items such as pay policy, expenditure cuts and unemployment are suggested by the Civil and Public Services Association in evidence to a working party reviewing TUC structure.

In its evidence, the CPSA, the largest Civil Service union, echoes views already expressed by other unions, including the National Union of Bank Employees and the Electrical Power Engineers Association.

These centre on demands for more reporting back to affiliated unions through special congresses and regular circulation of reports and minutes as well as publication of a monthly bulletin.

Although mainly the smaller unions are the most vociferous in demanding greater participation in TUC affairs, the 215,000-member CPSA being the largest union without a seat on the TUC general council, appears to have the most cause for complaint.

In its evidence it underlines that the composition on the general council "in no way reflects the industrial composition of the affiliated membership."

Many of the manual and heavy engineering industries which have declined in recent years maintain a relatively high proportion of seats compared to membership says the CPSA. On the other hand growing white collar unions, like themselves, have a much lower ratio of seats compared to membership.

Nurses warned to beware of time and motion

BY OUR LABOUR STAFF

HOSPITAL NURSES are being warned to beware of time and motion men monitoring their work. The warning comes in Public Service, journal of the National and Local Government Officers Association (NALGO).

It says that a system of timed nursing care, incorporating work-study techniques, which originated in the Grampian health board, may soon be introduced to hospitals in England and Wales. Trial runs of the "Aberdeen formula" have already been made in English hospitals. Latest proposed testing grounds are Farnborough Hospital, Kent, and four hospitals in the South-East Thames region.

The staff side of the nurses' and midwives' Whitley Council wants the plan shelved pending further investigation. It has recommended members of unions and organisations concerned not to co-operate in any pilot studies in England and Wales using the "Aberdeen formula," until it has been examined and discussed with the Department of Health.

Equal pay row causes Trico lay-offs

By Our Labour Staff

TRICO-FOLBERTH, the windscreen wiper company hit by a 15-week-old equal pay strike, has decided to lay off all production workers—445 men and 77 women—at its Brentford and Northampton plants. The lay-offs will take effect on Friday.

During the dispute, 350 women and 150 men from the Brentford factory have been on strike, but production has continued with two-thirds of the company's 1,600 employees still working.

The dispute was taken to an industrial tribunal whose findings were unanimously in favour of the company, which was told that meeting the strikers' claim would break the Government's pay code.

"There has however, not been a significant return to work and there is no alternative but to invoke the lay-off clause in the national agreement," the company said.

Methil rig men stage walk-out

THE redundancy-threatened oil rig construction workers at Methil staged a mass walk-out yesterday.

The 1,300 men employed by Redpath Dorman Long had earlier been told that only 30-100 would be kept on when existing orders are completed next February.

After a meeting at the yard to discuss severance payments, the shop stewards asked that certain strings attached to the bargain be removed. When the management refused to renegotiate, the workers imposed a work-to-rule and overtime ban. Some of the men were then suspended and the rest of the workforce left the yard.

Jobs hopes rise for ex-prisoners

By Stuart Alexander, Industrial Staff

A NOTE of optimism about the attitude of major employers to former prisoners is sounded today in the tenth annual report of Apex, the Association for the Promotion of employment of ex-offenders.

While the work of the charitable trust has been hampered by the present shortage of jobs compared with the booming conditions of the late sixties, a more realistic, liberal and sympathetic mood among employers is reported by Mr. Paul Lumkin, the general administrator.

Apex is organising a series of seminars for employers which, it hopes, will throw light on the procedures and difficulties of finding jobs for ex-offenders.

At the same time it has set up a careers advice and employment counselling service in one open prison and has started training in interview techniques at other establishments. This, says the trust, is to counter what seems to be a growing lack of confidence on the part of prisoners about job vacancies, and their own abilities and capacities.

Help offer

The trust, which deals mainly with "white collar" job placing, was disappointed in 1975 with its total of 113 interviews with employers but notes that working relationships have been developed recently with the Institute of Personnel Management and the Industrial Society, which have offered to help encourage greater understanding among their members.

The trust, which already receives some aid from the Home Office, hopes to introduce a careers counselling service more widely in prisons and to be able to extend its own service in the provinces.

● A campaign to persuade prisoners to join the movement to change the penal system was launched yesterday by the Howard League for Penal Reform. It is offering cut-price membership for prisoners and their spouses of 25p instead of the usual annual rate of £4.

CARIBBEAN REPORTS

The Financial Times proposes to publish reports on the British Virgin Islands and the Cayman Islands. The provisional editorial synopses and dates are set out below:

BRITISH VIRGIN ISLANDS

Thursday, 30th September, 1976

1. Introduction:
2. Tourism:
3. Agriculture:
4. Fisheries:
5. Communications:
6. Profiles:

CAYMAN ISLANDS

Friday, 1st October, 1976

1. Introduction:
2. Banking and Finance:
3. Tourism:
4. Communications:
5. Agriculture and Fisheries:
6. Profiles:

It should be noted however that the contents and publication dates of reports in the Financial Times are subject to change at the discretion of the Editor.

Should information relating to advertising in these reports be required please telephone Helen Lees on 01-248 8000 Ext. 238 or 01-236 1965.

FINANCIAL TIMES SURVEY

Thursday September 2 1976

Dutch Capital Market

The mood of the business and financial community in the Netherlands is one of caution. As in Britain, currency uncertainties, high interest rates and doubts about the direction of the economy are the main depressants. Activity in the capital markets is at a low ebb, with Government the only borrower of size.

Low demand for funds in most sectors

By Christopher Hill

NORMALLY looked upon as one of the comparatively few havens of well-ordered calm, the Netherlands has been having some political upsets recently with the Prince Bernhard investigation and doubts have been growing, both internally and abroad, about the cracks which have been appearing in the economy. The most obvious manifestation of this has been the comparative weakness of the guilder relative to other snake currencies since last March. True the guilder improved markedly last month following the rise in the Dutch bank rate to 7 per cent., but the Dutch authorities previously had to intervene quite heavily in support of the guilder, causing losses to the official reserves between the end of February and early July. Nearly half the decline occurred from the end of May onwards.

Perplexed

With a current accounts surplus on balance of payments expected to be in the region of Fls.5-6bn. in 1976, the decline in the fortunes of the guilder (especially relative to the Deutschemark) has perplexed the Dutch authorities, since by all the normal yardsticks it still ought to be fundamentally strong. But the feeling by the authorities is that people are starting to realise the basic position of the guilder has changed during the past few months for a variety of reasons.

Perhaps the most important of these is that doubts about the recovery of the economy are growing. Beginning in May with bad figures on the prices index, unfavourable comparisons are being drawn between control of inflation in the Netherlands as compared with West Germany, which is its largest trading partner. Running at possibly 10 per cent. on an annual basis, it appears to be moving closer to the British level and is twice that of Germany's.

Coupled with still rising unemployment and a sluggish rate of recovery (the anticipated 4½ per cent. growth in GNP for 1976 now looks unlikely to be reached) the Dutch seem to be getting an uncomfortable feeling that they are catching various "English diseases" and they are not really used to the experience. This perhaps leads them to see the problems as rather larger than they are in reality.

Be that as it may, the realisation of these problems has caused an overall shift out of the guilder since May by foreign investors and confidence was not helped by the apparent attitude of the trade unions towards forgoing wage-indexing and the proposal of the Dutch Government to introduce a "VAD" levy. This is basically a system for creaming off "excess" corporate profits and handing the money over to a trade union mutual fund. What constitutes an excess profit will be decided according to a linkage with the return on Government securities and the levy is retroactive to January 1975.

There are a lot of questions left unanswered, but it is actively disliked by the Dutch business community who hope that it will never actually be introduced. The annual yield is estimated at a maximum of Fl.500m. (there are considerable doubts about the exact level) and the Government faces a general election next May.

But what it has done already is to depress the Dutch business community and to give the impression abroad that the existing comfortable system of business and trade union co-operation might be vanishing in favour of a totally trade union dominated environment. After all, the VAD proposals appear to go further than anything which has so far been put forward by Left-wing groups in Britain and the prospective return on industrial capital is down to the dangerously low level of 3½ per cent. This has been on a declining trend for many years.

The Dutch authorities are notably disappointed with the way things have started to go in the second half, especially about the "snowball" psychological effect on the guilder of diminished confidence. An example of this is the renewed talk about what will happen when Dutch gas exports start to tail off in the 1980s. What the authorities say is that there is nothing new about this and that the Dutch balance of payments would still look relatively healthy even taking account of the "vanishing gas" factor. But it has all helped to change the mood in the Netherlands into a defensive one.

The most obvious examples of this are higher internal interest rates and a complete turnaround in the attitude to capital outflow. During the early part of the year Fls.1.1bn. was taken up by foreign investors in four issues on the capital market, but in the middle of May non-resident activity on the private placement market was stopped.

With interest rates to borrowers up from 8 to 10½ per cent. over the period following, the capital market is now entirely different, with a queue in the public sector (policed by the central bank) stretching out to a year. At the beginning of the year, the market could have withstood three public issues at the same time—according to official sources—but the feeling now is that even one loan of Fls.150m. would stand a good chance of being left at least partially with the underwriters.

The same malaise is evident in other capital markets including the bond market, which has been experiencing violent fluctuations, and the equity market which has even more of a problem with the proposed VAD. Foreigners have parted with their shareholdings even more than their bonds and domestic investors (with no restrictions on overseas investment) seem to prefer the U.S., German and Japanese markets.

That is where they invest if at all, but the authorities have not failed to note the general increase in institutional liquidity—not only in the "social" funds which have continuous cash commitments but also among insurance companies and pension funds which were traditionally fully invested. The corollary to this is that institutional investors all seem to be expecting higher interest rates and have been selling bonds in Amsterdam.

Similarly the private placement market, which was strong in the first half of 1975, has *now slumped and this is probably the most important factor of all*. The private placement sector in unlisted issues is virtually a free market in loans *direct from the institutions to* borrowers and accounts for possibly 80 per cent. of the entire Dutch capital market. But with interest rates high and confidence low there is very little incentive for industrial borrowers at the moment.

Another source of worry is the growing Government financing requirement, for the total Budget deficit is reckoned to be in the region of Fls.15-17bn. this year and the gloomiest predictions are that it will be much the same in 1977 unless there is a definite pick-up in GNP growth. So far this year the Government has raised four public issues, amounting to Fls.2.1bn. and is thought to have borrowed Fls.500-600m. on the private placement market from a limited number of institutions. This tends to be a grey area so far as statistics are concerned but the interesting fact is that this is the first time in Dutch history the Government has directly tapped the private placement market. It is thought that more loans will need to be raised both publicly and privately.

But apart from Government and semi-Government fund-raising, the other shift in capital demand is the rise of mortgage finance in that the Dutch have a lot of catching up to do in the home ownership field and the latter is encouraged by the Government. However, fears that this might divert funds from other sectors are slight, for the total supply of capital market is rather high—the Dutch personal savings ratio, for example, is 18 per cent.

Relief

The revival in the strength of the guilder last week must have come as considerable relief to the Dutch central bank, for it was felt Dutch capital market problems were essentially a currency problem. The Dutch authorities do not wish to leave the snake—which would probably lead to an increased flight from the guilder—but neither do they wish continually to support the guilder with interest rates spiralling. This would cripple economic recovery and there is the feeling anyway that only a certain amount can be done with higher interest rates before they become self-defeating as a currency prop. At least the latest rise in bank rate seems to have done some good.

However, the capital market remains in the doldrums and it will probably take some definite good news on the economic front plus an improvement in the inflation rate before confidence returns. This is more an international problem than one which is unique to the Netherlands and the hope is that traditional "level-headedness" will soften the impact of radical domestic proposals such as VAD.

Doubts on the stock market

THE STRIKING features about the Dutch stock market at the moment are that it reflects many of the problems currently being experienced by the U.K. stock market and that the same questions are being asked about its future as a fund raiser for industry. Indeed in some ways its position seems to be more open to doubt, for the Dutch Minister for Economic Affairs said last spring that it seemed to him that the share was no longer an effective means of financing companies and that other methods might have to be sought. This and other factors, political and economic, have produced a situation where the market is bumping along close to its low for the year and even the large international stocks (which dominate the market) are feeling the draught as foreign investors lose interest.

Foreign interest is highly important to the Dutch stock market because the large international stocks (such as Royal Dutch, Philips, Robeco, Rolinco, Unilever and Akzo) amount to roughly half the total market value of Dutch shares (Fls.49bn. at the end of 1975). On the domestic front, the stock market has to compete with the private placement market where institutions make loans direct to companies and—with no very good news to tell—domestic Dutch companies seem to prefer to take that route rather than expose their needs in public.

Disinclined

But the real trouble appears to be that, although Dutch companies are reckoned by the stock exchange to be in need of long-term capital, there is a disinclination by commercial and industrial companies to raise any new capital at all by whatever form. Even in 1975 financial institutions were much more in evidence as raisers of capital than the industrial companies and the biggest borrower with public issues was the Government (Government bond issues rose from Fls.471.9m. to Fls.1.93bn. between 1974 and 1975). Elsewhere the most important issuers of loan capital were the Dutch mortgage banks, but only four new share issues were officially listed in 1975.

This year the position is even more unbalanced, with stock market turnover dragging along at a low level (Fls.60m. to Fls.100m. on a good day) and potential capital-raisers staying away. The reasons for this stretch out to an impressive list, but the main ones suggested by Dutch stock market sources appear to revolve around the political influences. Paramount among these is the potential "profit surplus" tax (VAD) which seems to be scaring both Dutch and foreign investors.

The stock exchange says that after payment of wages and other costs the proportion of company revenues which remain to shareholders now amounts to only 3½ per cent. of the total and there is clearly some alarm that the next step might be an overall negative return if the Government and the trade unions have their way. This and the fact that the Dutch inflation rate is much higher than that of its main trading partner, West Germany, has also adversely affected the guilder, thus leading to the disappearance of the foreign investor who is by now highly nervous of currencies which come under pressure. The U.S. investor is prominent in this respect.

Dutch investors are similarly affected because in order to protect the guilder the Government has let interest rates rise to the point that where the debit interest rate on a bank current account is now 11½ per cent. and institutions can secure interest rates of 16-17 per cent. on an annual basis by putting money on deposit. This tends to be more attractive under circumstances where institutional investors are worried about current developments, including the slow rate of Dutch industrial recovery and diminishing prospects once Dutch gas resources start to dwindle in the 1980s.

As in the U.K., the institutions are increasing in importance as market makers and a significant trend over the past quarter has been the sharp rise in institutional liquidity—in an environment where institutions have a tendency to remain fully invested. Moreover, when institutions do invest on the public market they want to see a quick return plus their money back as soon as possible—which means that the term of loans has been reduced to five-seven years. The result has been that only big companies have come through to the market to raise new money through loans, there have been no rights issues this year, and (judging by previous efforts) the Dutch stock market would have no success in starting a secondary market for private placements.

PUBLIC ISSUES
(Fls. m.)

	Total		Shares		Bonds	
	1974	1975	1974	1975	1974	1975
Government	471.9	1,934.0	—	—	471.9	1,934.0
Bank for Netherlands Municipalities and Netherlands Polder Boards Bank	1,324.7	1,193.3	—	—	1,324.7	1,193.3
Private sector	1,460.5	2,506.8	74.9	371.3	1,385.6	2,135.5
Foreign issuers	10.9	383.7	—	—	10.9	383.7
Total	3,268.0	6,017.8	74.9	371.3	3,193.1	5,646.5

Source: Central Bureau of Statistics.

Does this mean that the Dutch stock market is entirely a scene of unmitigated gloom? In common with other major stock markets there is not much cause for optimism at the moment, especially since the Dutch market's recovery in 1975 was not quite so vigorous as rallies elsewhere and there was considerable evidence that Dutch institutions were increasingly going for foreign markets (especially the U.S.). Moreover, the decline in dividend payments during 1975 had a negative effect on dividend yields with a consequent shift in emphasis to the bond sector.

Inevitably the sharp fall in turnover has had a bad effect on morale among the brokers and one hears much the same story as in London that the medium-sized firms are finding life increasingly difficult. But the Dutch system is different in that the rapidly diversifying banks play a big part in the system and preparations are continuing for a giro-based trading system based on computerisation.

The key to the whole problem is lack of confidence. The Dutch market is falling through lack of business and the climate is bad for new issues because, with all the problems, companies do not feel able to produce a convincing prospectus. Besides, with interest rates showing no sign of falling there is no incentive to raise money. Indeed, some commentators in Holland say that the need for capital is exaggerated and Dutch companies were in fairly liquid state towards the end of last year and still have surplus capacity.

The hopeful signs are that despite the current problems the Dutch market is still relatively "free" in that there is no dividend restraint (this was abandoned in 1973) and dividends are expected to improve in the current year. Similarly, although foreign companies have been "temporarily" banned from raising private loans in Holland, the basic tendency is to operate a system which is as open as possible. It is also thought that some of the political scares may be of less significance to companies than is envisaged and indeed may never come about.

Jubilation

But this still leaves the Dutch stock exchange authorities scratching their heads for answers to the current situation and there was some jubilation when the recent loan raised by Thyssen-Bornemisza turned out to be a success, with its novel variable interest rate linked to the profit of the company (offering investors at least 9 per cent. and a maximum of 15 per cent.). Another path currently being pursued is the idea of the options exchange which is still in the planning stage. This sounds attractive but it does not raise money for industry and the fear has been expressed that too much institutional activity in a new options market might drain funds away from the share market.

Christopher Hill

Insurers look abroad

WHILE PREMIUM income of the Dutch insurance sector is expanding more or less in line with inflation, the main Dutch companies seem to be uncomfortably aware that the Dutch market alone is insufficient for their activities and that political pressures suggest that their hold on various traditional insurance markets is liable to wane over the next decade. The effect of this seems to be that the Dutch companies, dominated by the six major groups, such as Nationale Nederlanden, Ennia and AMEV, are looking more closely at diversifying their business into broader financial sectors within the Netherlands and into expansion overseas. This is important in the context that the Dutch insurance companies are major providers of capital within the Netherlands itself.

At least this was the impression that Mr. H. Gerritsen, the chairman of the NVBL (the Dutch L.O.A.) conveyed at a recent meeting as he outlined the fact that, while the strong competition in the life field is softened by the tariff agreement between the Big Six, there is a problem of over-capacity in the non-life sector and that industry foresees a limited possibility of expansion in the future. This is partly due to the climate of increasing Government intervention in the insurance sector, and although the policy is to nationalise insurance systems rather than the companies the effect is to make insurance companies consider carefully their long-term position.

The threats to business expansion within the insurance business in Holland come from various directions and revolve around the fact that, at least in the life sector, the Dutch insurance industry has traditionally concerned itself more with straight protection (term assurance especially) rather than majoring on investment contracts. Therefore the situation now looks bleak as the Government proposes (with the co-operation of the unions) to extend the State pension system during the 1980s to the extent that the private sector is likely to become a junior partner, with a resultant fall in premium income. The same goes for the traditionally important private health sector, which is increasingly threatened by the State Health Insurance system which is tending to be all-embracing except for the top layer of the population.

Diminution

So the result is that, since the Dutch companies generally visualise a long-term diminution in their income from traditional insurance sources, they are spreading into other fields. The extent of this differs from company to company. AMEV represents the biggest departure in that its stated aim is to have one-third of its resources in non-life fields, but the general tendency is to go into related financial fields such as hire purchase and mortgages and to expand overseas. A recent example of this was Nationale Nederlanden's takeover of Merchant Investors from UDT in the U.K. (it already owned a major Scottish company, Life Association of Scotland). Also Ennia bought Triumph U.K. (now Ennia U.K.) and has invested in Belgian property.

Of course one thing about going into alternative financial fields is that, at least within Holland, there is increasing competition from the commercial and the savings banks especially in the field of mortgages. A traditional activity of the Dutch insurance industry was to provide mortgages in conjunction with life assurance, and it is estimated that the industry still has 25 per cent. of the mortgage market. But competition is now hot from other quarters, and the insurance companies' share of this expanding market is declining in percentage terms. However, some have now established separate mortgage subsidiaries.

Placements

Where the investment policies of Dutch companies are concerned, the pattern is very different from that of the U.K. While the companies aim at good yields with as much flexibility as possible to support their insurance commitments, the main part of portfolios across the board consists of "private placement" loans to industrial and other borrowers. At the end of 1975 this sector amounted to 37 per cent. of the Fls.28.4bn. investments of the entire Dutch insurance industry and is probably greater than that when indirect investments are taken into account. Mortgages were the next most significant category with 25 per cent. of the total, followed by property with 8.33 per cent. Listed bonds and shares were a relatively minor sector, amounting to only 7.8 per cent. of the total, for there never has been a tradition of insurance involvement in the stock market.

However, private placements to industry are reckoned to be on the decline—at least for the moment—for not only has the demand for industrial loans fallen off, but also the insurance companies themselves are less eager to grant loans. The main reason for this is that the current outlook for Dutch industry seems less than encouraging. But in more normal times the private placement market has produced a close relationship between borrower and lender, and although interest rates may be a half a point higher, the costs of handling are lower and the terms are usually longer. Unlike in a public issue the borrower knows that he can get the money from the insurance company, and no approval is needed from the Central Bank which is the case in the official market.

But one significant change in the private placement market this year is that the Dutch municipalities have become increasingly large borrowers, and the Government itself has been showing its hand in this sector. This is the first time that this has ever happened, but then there is a large projected Government budget deficit to be covered this year.

Demand for mortgages has also been very high since the percentage of people in Holland who want to own their own house is rapidly increasing. The Dutch were slow to go in for home ownership (having traditionally occupied rented flats) and the proportion of families owning their own homes (38 per cent.) is considerably less than the comparable figures for Germany or Belgium. But the high rate of inflation (around 10 per cent.) seems to have made people more keen on possessing real assets, and there is also less willingness on the part of Dutch institutions to fund residential housing to rent. Residential property has always been the largest part of property portfolios, but the environment for this has been made "a bit less pleasant" due to rent restrictions. With yields too low to be attractive, one Dutch insurance company remarked grimly that even the pension fund for civil servants had said recently that it did not like residential property. On the other hand, the proportion of total portfolios invested in commercial property is slowly increasing.

Where overseas investment is concerned it is difficult to make the split between what the companies are doing with their own money and what they do with their portfolios. Where the former is concerned there is a definite incentive to expand overseas and much expansion has taken place already, but the percentage of overseas investment in the portfolio is still slight and possibly 6 per cent. overall, though the percentage is rising gently. What Dutch insurance companies have to bear in mind is the current risks respective to their own obligations, and this in the past has made Germany the obvious candidate for overseas investment. The situation is more complicated now that the guilder is not as strong as it was, but at least there are no restrictions on capital movement.

C.H.

Bank lending remains fairly brisk

THE COMMERCIAL banks generally reported an encouraging growth of earnings and business *in the first-half* of this year. Despite the comparatively slow pace of economic recovery in Holland and the uncertainties presented by developments in the money and capital markets, the banks are all moderately optimistic about business for the rest of the year.

One of the leading banks said in mid-August that although the interest margin continues to be under pressure, it is expected that the influence of increased business will counter-balance the effect of a slightly reduced interest margin.

The first large bank to announce its half-year results this year, AMRO, saw net profits rise 37 per cent. to Fls.88.8m., with the balance sheet total rising *to* Fls.46bn. *from* Fls. 42bn. since end-1975. A "satisfactory" earnings growth is forecast for the full year, but the bank added that it does not look as though the strong first-half earnings growth will be *maintained*, particularly as business in the second-half of 1975 had been much better than in the first-half of the year.

The more foreign-oriented ABN bank, which obtained at least a third of its 1975 net profits from activities abroad, reported a more modest rise in net profits in the first half. At Fls.86.8bn., they were up by 15 per cent. In the past six months the bank's balance sheet total has risen by nearly 11 per cent. *to* Fls. 53.1bn. *ABN*, which can look back on a very good 1975, noted recently that profit margins foreign business were somewhat smaller compared with last year. So far domestic business has accounted for the profit rise this year. In common with the other commercial banks, ABN has been able to contain costs quite well this year.

Largest

The largest of the second division banks, NMB, in which the Government has a nearly 30 per cent. interest, saw first half net profits rise 38 per cent. Demand for credit in the period has been "considerable." Ned. Credietbank, in which Chase Manhattan has a large minority interest, said profits were up at least 30 per cent., while Slavenburgs, which has a link with First National Bank of Chicago, said net profits had advanced *just over 25 per cent. in the first* half of this year. At Mees en Ope, now part of the ABN group, profits were up a relatively modest 11 per cent.

Details of the first-half performance of Rabobank, the large co-operative banking group, have not yet been released.

After the publication of its results in August, AMRO said that the six-month period was characterised by a "rapid expansion" of business. Total *lending*, which had increased at a moderate rate in the first half, has accelerated in the second *half*. It said that although a rise in money rates occurred in May, the influence of this rise on the interest margin *was temporarily* offset by two central bank rate increases in June.

Shortly after the start of the second quarter, an additional surcharge on the rates for current account credits was introduced. When interest rates continued to increase, there followed another two surcharges *totalling* 2 per cent. From August 20 the central bank raised the discount rate by 0.5 per cent. to 7 per cent., while the rate for *promissory* discounts, on which the commercial banks base their tariffs, was increased by a full point to 8 per cent.

AMRO has expressed concern *that high interest rates may* hinder economic recovery and feels that the impulse for a further continuation of the upward trend would now clearly have to come from W. Germany. Holland has always been heavily dependent on its eastern neighbour's economy. The bank attributed the rising interest rates to the central bank's anti-inflation policy and to major efforts to support the guilder against the D-mark.

As far as developments in the banking sector in the past year are concerned, Mees en Hope *said in a survey that*, following the strong growth in credit volume and the associated high *level of interest rates in 1974*, the past year saw a return to a more normal situation. Besides declining interest rates, a slowing down was noted in the volume of short-term credit as a result of the recession and the falling level of stock financing. Use of this facility by the private sector was up by only *6 per cent., which compares with* an increase of 25 per cent. in 1974.

As against this demand by industry for longer-term loans continued, a reflection, the bank added, either of the increased *use of borrowed funds for* financing or more limited opportunity for self-financing. Demand for mortgage loans also remained high in keeping with the increasing trend towards home ownership.

According to the survey, total medium-term credit granted by commercial banks in 1975 increased by as much as 24 per cent. The increasing share of the commercial banks in financing business through longer-term credit, Mees en Hope commented, was an aid to the growth of business. This also had a stabilising effect on the average interest margin. It was noted that the combined balance sheet total of the commercial banks was up by 19 per cent. in 1975 despite the recession—as against a 9 per cent. increase in national income—a figure equal to the average growth rate over the period *1970-74*.

Holland's group of eight commercial banks account for around 95 per cent. *of the* combined balance sheet totals of all Dutch commercial banks. The *eight* are ABN and *AMRO*, which are by far the biggest, followed by NMB, and then by NED. Credietbank, Slavenburgs, van Lanschot (which has links with Britain's Nat-West). The large Mees en Hope has now become part of ABN, while the smaller Pierson, Heldring en Pierson is now part of AMRO, making up the total of eight. The co-operative Rabobank is of the same size as ABN and *AMRO in terms of balance-sheet* totals.

Growth

In a recent survey Credietbank said that over the years the growth of the so-called money-creating institutions — together with the central bank, the commercial banks, the agricultural institutions (co-operatives) and the clearing services — *has shown spectacular development* measured by balance sheet totals. The bank showed that the share of the commercial banks in the total of the money-creating institutions has increased to a greater extent.

The agricultural credit institutions (that is, Rabo)—managed as a co-operative society—have already for some time and in a number of activities been developing into commercial banks. But commercial banks themselves have become even more diversified by the acquisition of savings deposits and the granting of mortgages for housing.

For most banks the retail side is becoming increasingly important. However, besides the rising profits trend and business growth — which continued into this year — there have been a number of developments giving the banks cause for some concern. On top of the problems connected with inflation and sagging industrial profits, a problem for the banks in the infla*tionary period is to be able to* step up lending to the domestic corporate sector whose position has deteriorated sharply in the *past few years*.

One of the biggest Dutch banks last year warned of the problem of the deterioration of the banking system itself, "which could act as a brake on readiness to grant loans in the future." Against the background of the still relatively stiff central bank regulations *governing* solvency and liquidity — which also govern foreign banks here and which are understood to present them with considerable difficulties at times — the problem has been to match the growth *of* the banks' own resources with the increase in lending.

In its 1975 annual report the Dutch central bank noted that the growth of long-term deposits continued at a high level that year, while large sums were taken up by the issue of bonds and private placements. "To an important degree this involved subordinated loans, which are regarded as equity under the solvency regulations," the bank said. In addition, shares were issued to improve the banks' capital structure. The amount of long-term loans by the com*mercial* banks rose to Fls.960m. in 1975 from Fls.210m. the year before. The rise of capital and *reserves, including subordinated* capital, advanced to Fls.1.8bn. (Fls.550m.).

Disliked

Apart from the domestic economic position, in which certain structural tendencies give rise for concern, a number *of policies proposed by the* current Socialist-dominated coalitions Cabinets are disliked by the commercial banks. The private banks do not welcome that part of the draft Bill for the supervision of the credit sector which provides for more decision-making power to be transferred from the central bank to the Finance Minister.

One of the leading banks, ABN, stated earlier this year that since the Government itself was already an interested party in the credit sector via the Postcheque and Giro Service (PCGD) *and the State Postal* Savings Bank (RPS), and was likely to be even more involved given the proposed merger of these two institutions and their expansion to become a State bank, "impartial supervision appears best guaranteed by the central bank."

Government proposals for a fully-fledged State retail bank, often referred to as "Postbank," are being fiercely resisted.

Finance Minister Dr. Willem Duisenberg apparently feels that the position of the PCGD and the RPS has been eroded too much as they are unable to match the range of financial services offered by the commercial banks. Here and there the suggestion is also heard that the Minister would like to establish a "counter-vailing force" in the credit sector by creating a state *bank in this sector which* is dominated by private banks.

In June this year, top execu*tives of the AMRO bank and the* RABO bank called the plans "superfluous, disorderly and even damaging." There were also fears of unfair competition and concern was also later expressed at reports that the State bank was unlikely to take on loss-making activities in the retail sector. Other bankers have pointed to what they *call* lively competition, stepped up by the many foreign banks in Holland.

According to the latest reports from the Hague, the Government may be taking some important initial decisions any time now. In banking circles, the government has already been *booking executives from* the private banks and the recent concentration movement has made their job somewhat easier.

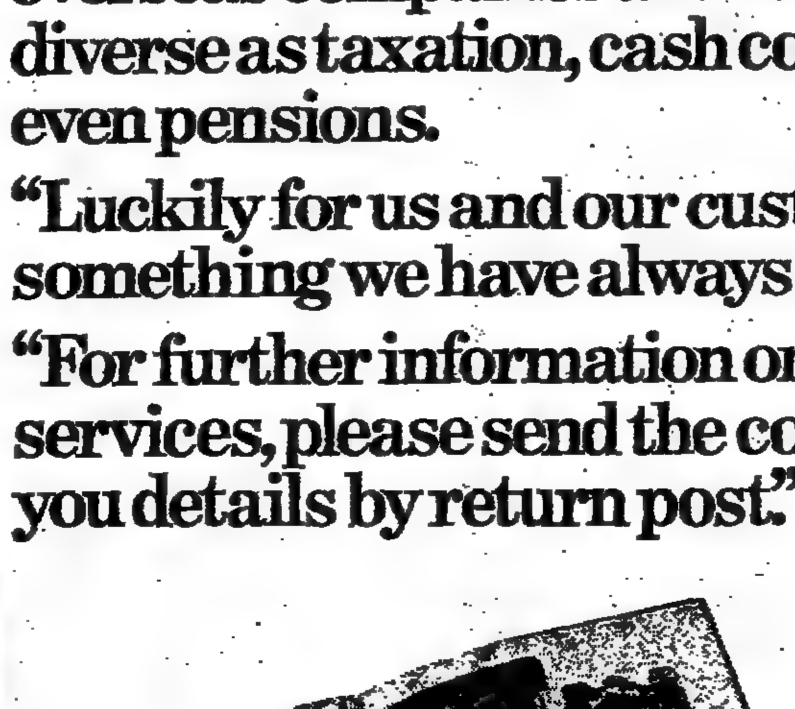
Although the Dutch banks have been very active recently in assisting domestic companies *to expand abroad, they have* also expressed worries at other developments they feel are harming the investment climate in Holland for both domestic and foreign enterprises. They point to plans for a number of far-reaching social reforms being pushed through in an economically testing period for Holland.

Michael van Os
Amsterdam Correspondent

CAPITAL MARKET SUPPLY AND DEMAND
(Fls. m.)

Description	1970	1971	1972	1973	1974	1975
NET SUPPLY						
Funds and savings banks	6,712	8,630	12,080	11,516	13,205	17,762
of which:						
shares	383	788	980	876	607	766
bonds and mortgage bonds	426	456	535	671	418	1,145
private loans	4,467	5,636	8,336	7,528	9,375	11,524
mortgage loans	662	684	898	1,371	1,618	1,568
real estate	774	1,066	1,331	1,070	1,187	1,741
Households and industries	962	1,020	1,654	2,943	2,896	3,490
of which:						
shares	562	217	120	1,520	1,335	821
bonds and mortgage bonds	599	803	1,534	1,423	1,561	2,659
private loans	−194	—	—	—	—	—
mortgage loans	− 5	—	—	—	—	—
Commercial banks	3,707	4,553	7,523	6,862	6,225	7,643
of which:						
shares	− 10	− 62	− 13	107	66	29
bonds and mortgage bonds	− 55	545	859	317	− 65	966
private loans	1,552	2,666	4,408	3,608	2,335	3,248
mortgage loans	2,220	1,404	2,269	2,830	2,889	3,400
NET DEMAND						
Government	1,893	2,213	2,216	1,806	2,436	4,367
of which:						
bonds	679	746	83	−104	29	1,327
private loans	1,214	1,467	2,133	1,910	2,407	3,040
Local authorities	1,658	2,610	4,269	2,006	3,872	3,497
of which:						
bonds	632	595	908	531	871	668
private loans	1,026	1,915	3,361	1,475	3,001	2,829
Private sector	8,254	9,222	13,174	13,536	14,128	17,890
of which:						
shares	171	116	66	57	79	258
bonds and mortgage bonds	780	1,053	1,561	715	1,245	2,182
private loans	3,643	5,004	7,124	7,577	7,070	7,858
mortgage loans	2,886	2,093	3,092	4,117	4,547	5,851
real estate	774	1,066	1,331	1,070	1,187	1,741
Commercial banks	309	332	225	859	563	1,863
of which:						
shares	38	21	—	182	—	219
bonds	326	374	122	586	451	649
private loans	−55	−63	102	171	112	995

Source: Annual Report 1975 De Nederlandsche Bank NV.



Squeeze on the money and bond markets

CAPITAL AND money market developments in recent months have been dominated by uncertainty on the foreign exchanges and the need for the Netherlands central bank to support the guilder. Intervention by the central bank has squeezed money markets, pushing interbank lending rates to levels unseen for several years and depressing both bonds and shares as investors have switched to short-term lending. The call money rate recently reached 20 to 25 per cent. compared with rates below 1 per cent. in April.

The central bank's fear of inflation, currently running at around an annual 10 per cent., is behind its defence of foreign exchange parities and its refusal to help the money market. It has raised bank rate five times since the end of May to its present level of 7 per cent. Its two other lending rates—promissory note rate and the rate for secured loans, which are of greater importance than bank rate itself—now stand at 8 per cent. compared with 4½ per cent. at the beginning of the year.

The central bank has placed further pressure on the banks and the money market by increasing the penalty rates applying to commercial bank borrowing from the central bank. Some banks have recently been paying an annual rate of more than 20 per cent. for central bank funds taken up in excess of double their normal quotas.

The central bank was unwilling to help out the money market with special advances against securities as it had done between October and February. Funds on loan to banks by means of this facility rose to more than Fls.1bn. at one stage. The special loan facility was in effect a broadening of the types of paper that banks could use as collateral against central bank loans.

Harder

Even before the last bout of currency nerves the bond market had not been flourishing. New issues by borrowers as varied as Akzo, Ennia, Algemene Bank Nederland and Nederlandse Credietbank have had in part to be taken up by the underwriters. Conditions have changed so rapidly in recent months that it has become harder for borrowers to set terms which will still suit conditions when the issue actually comes to market. Amro Bank's proposed Fls.75m. issue in August was cancelled, while a Fls.50m. issue by Credietbank was still unsuccessful despite a last minute increase in the coupon rate.

Behind the problems faced by some recent issues have been expectations of rising interest rates coupled with a growing awareness of high Government borrowing needs this year. An indication of the sharp increase in interest rates to date is given by the rise of more than a full point in the yield of the three latest Government bonds to 9.6 per cent. at the end of June from 8.4 per cent. at the end of the first 1976 quarter.

The Finance Ministry is confident Holland will meet its record Fls.15.5bn. guilder financing requirement this year (more than double its 1975 requirement of Fls.6bn.) without undue difficulty. It has so far raised Fls.1.2bn. by loan tenders and a further Fls.250m. by a straight issue. This rate of progress is on a par with last year, when total open market funding was Fls.2.5bn., but the market is clearly becoming edgy at the much greater 1976 requirement.

However, the State can expect a guaranteed Fls.3.8bn. (against Fls.3.4bn. in 1975) from the civil servants' pension fund, which is required to invest most of its funds with the Government. The Finance Ministry is also continuing with placements of treasury bills which remain popular because of their short lives of up to five years.

The Government extended its range of money-raising options in February when it announced it would negotiate medium-term private loans from institutional investors to help finance its deficit. Up to the end of June more than Fls.400m. had been raised in this way. This direct recourse to institutional investors by the authorities did not particularly please the banks, which foresaw a cut in their commission earnings. Cutting out the banks and savings on other costs has meant the Finance Ministry could offer a quarter or a half per cent. better rate of interest on these loans.

A factor working in favour of the Government's efforts to cover its deficit has been the sluggish recovery of the economy. Private borrowers have not been competing to any great extent for funds. The authorities have tried to encourage longer-term lending by increasing the penalties on the early redemption of loans to the State and to local authorities. Redemption continues to be excluded before 10 years, while the penalty on the early redemption of public loans after 10 years has been raised to 3 per cent. from 1½ and after 15 years to 2 per cent. from one.

Check

The central bank opened the public capital market to foreign borrowers last year to increase capital outflows and check the guilder's strength on the foreign exchanges. However, the rise in interest rates and the present weakness of the guilder have deterred foreign borrowers on this market as well as on the Euroguilder market in recent months.

Circumstances have forced the central bank to temper thi[s] liberalisation by closing dow[n] the private placement market t[o] foreign borrowers in May (afte[r] first opening it to them in 1972) to check the rise in interes[t] rates.

Fixed interest issues continu[e] to be more attractive tha[n] equities as a means of raisin[g] funds. Share issues accounte[d] for only Fls.76m. of th[e] Fls.1,133bn. private sector bo[r]rowing on the capital market i[n] the first seven months of thi[s] year. Thyssen-Bornemisza raise[d] Fls.100m. in July by means o[f] a 25-year profit-linked debentur[e] loan. Within the guarantee[d] limits of nine and 15 per cent interest will depend on the com[pany's] profits. Thyssen-Borne[misza], a private company, sai[d] share market conditions wer[e] not attractive enough t[o] persuade it to go public ye[t] while this sort of hybrid issu[e] blurs the distinctions betwee[n] bond and share issues to th[e] advantage of the former.

By a Corresponden[t]

Mortgage and savings banks diversify

THE GROWTH of mortgage loans supplied in Holland continued to rise strongly in the first four months of this year, continuing the trend of last year. But recently demand has tapered off somewhat in line with rising interest rates. The Central Statistics Bureau (CBS) in The Hague has calculated that mortgage loans taken up in the initial four-month period totalled over Fls.5.5bn. in value, representing an increase of at least 70 per cent. on the corresponding period last year.

According to the CBS, for homes alone 49.774 loans were made in all totalling Fls.4.27bn., with the average loan rising to Fls.85,800 in the period from Fls.70,000 in the corresponding four months of 1975. Of the total supplied, 29 per cent. was accounted for by the commercial banks and the co-operative Rabo bank, and 22 per cent. by the mortgage banks. The savings banks, including the State Postal Savings Bank (RPS), accounted for 16 per cent. and so did the life assurance companies together with the pension funds. The average interest rate fell to 8.8 per cent. (9.7 per cent.) in the period, but it has now increased substantially.

In 1975 the growth on the Dutch mortgage market was also substantial. The proportion of owner-homes is put at around 40 per cent. in Holland—rather low compared with many other countries—but the Government has indicated that it wants to push up the percentage to about 65 per cent. by around 1990. This would suggest that there are still sufficient growth possibilities for those companies active in the domestic mortgage sector.

Purchases

Although the situation changed somewhat during more recent months, the start of this year was characterised by growing confidence in economic recovery. And there had been some "catching up" by those that had postponed house purchases because of the oil crisis and the economic uncertainties. A continuing high inflation also had its impact on the demand for home loans.

According to CBS information, the total of new mortgages rose to Fls.32bn., an increase of nearly 27 per cent. on 1974. The greatest increase was accounted for by the savings banks generally and the State RPS. That rise was put at 63 per cent., while the rise achieved by the mortgage banks and building associations amounted to 39 per cent. Holland's biggest mortgage bank is Westland-Utrecht, with an estimated market share of 9.3 per cent. in 1975, followed by Friesch-Groningsche (4.3 per cent.).

In a review of the mortgage bank sector, Nederlandsche Middenstandsbank (NMB), the large Dutch bank in which the Government has a 30 per cent. interest, noted that the strong growth of the savings banks, including the RPS, could be explained by the fact that the last mentioned institution—which started making home loans at the end of 1973—had achieved a very substantial increase, particularly in 1975. Considering the increase in loans granted only for private houses, etc. it appears that the mortgage banks can still handle the competition.

The mortgage banks nearly doubled their new loans compared with the preceding year. Ordinary loans on homes by the mortgage banks jointly totalled about Fls.2.8bn. in 1975, against Fls.1.4bn. the year before. But the figure for the RPS was given as about Fls.700m. that year, compared with Fls.270m. in 1974, "showing that the RPS is moving up strongly as a mortgage institution."

The Dutch mortgage banks have become increasingly aggressive in their campaigns and are having success in the consumer market. They are also active in promoting investment in mortgage bonds to keep their so-called passive financing—the attraction of funds to finance the loans supplied—to keep up with the growth of mortgages.

Besides supplying mortgages, institutions such as Westland-Utrecht and Friesch-Groningsche have also become increasingly active in the property sector, covering the development, the sale and management of property. The NMB noted in its review that "that form of diversification was necessary so that in the longer term the growth of the mortgage banks can exceed the increase in demand for mortgage loans."

Westland-Utrecht, which saw its mortgage portfolio in 1975 rise to one-third to Fls.4.1bn., an increase double that recorded in 1974, has also been in the news several times recently for increased activity outside the Netherlands.

It set up together with the Belgian ANHYP company in Antwerp a holding company in which project development of the two companies are combined. Late in August, the Dutch property journal—*Vastgoedmarkt*—reported that Westland-Utrecht was currently considering whether at some time the company should start developing its activities in the U.S. as far as investment and project development was concerned. The journal added that it was possible that the company may be seeking some link with a U.S. company.

Services

Besides the tie-up with ANHYP, Westland is also known to be considering similar transactions in other countries, notably West Germany and France.

On the savings institution side, there is clear indication that the companies are trying to raise the number of financial services they can give to their customers in an attempt to maintain their competitive edge. A large savings bank in the Amsterdam region, Spaarbank Voor de Stad Amsterda[m] noted in its 1975 annual repo[rt] that it was developing from [a] traditional savings bank "into [a] fully-fledged regional ret[ail] bank." The fact that its oper[a]ting profit showed a significa[nt] drop in 1974 served to accele[r]ate the plans and underlin[ed] that the bank was on the rig[ht] track. It operated 111 offices, [of] which five were mobile, at th[e] end of 1975.

This savings bank is know[n] to be studying a new name [to] accompany its change of imag[e]. It noted in its annual repo[rt] that the demand for mortga[ge] loans was increasing signi[fi]cantly. The company, which sa[w] its balance sheet total rise fro[m] Fls.1.87bn. to Fls.2.1bn. at th[e] end of 1975, under the infl[u]ence of the major inflow of sa[v]ings money, is also stepping u[p] its activity in the person[al] loans sector. It offers insuran[ce] activity to its clients, accep[ts] holiday bookings and is al[so] cautiously investigating wheth[er] its incidental activity in th[e] share market should be e[x]panded.

Although the Dutch mark[et] for financial services is expan[d]ing, it is clear that with [so] many institutions entering th[e] market, including the mortga[ge] banks and the savings bank[s] and with the possible creatio[n] of a State bank, intense com[pe]tition seems very likely in th[e] future.

Michael van Os

The Marketing Scene

Water turns on advertising tap

BY ANTONY THORNCROFT

LAST week the National Water Council took large advertising spaces in all the national newspapers to exhort the public to go easy on water consumption. This week it repeated the exercise. All told the national advertising will have cost over £120,000, and more publicity is planned, perhaps using television commercials.

An advertisement seeking a client. This was one of the ideas developed by McCann Erickson almost three years ago before it approached the National Water Council and suggested it needed an advertising agency.

This sudden spate of advertising is a wonderful belated reward for the agency McCann Erickson, which is handling the campaign, and particularly for vice-chairman Barry Day. McCann's association with water began before a the rationalisation of the water industry and the formation of the National Water Council in the spring of 1974.

In one of those brainstorming sessions at which agencies try to create new products for new clients, Day suggested that water was an overlooked and taken-for-granted national resources. The agency decided to get water conscious, and the National Water Council was approached with ideas for advertising campaigns even before it had got to grips with its new role, a classic example of an idea chasing a client.

As a result McCanns got appointed as stand-by agency in case the National Water Council ever faced a publicity crisis. At the same time the agency was well placed to pick up the advertising account for the Southern water authority, one of the ten that now looks after the regional needs, with the Council holding a watching brief.

Now two years and more later the National Water Council is a big client. The advertisements are appearing apparently late in the day not because the Council has been dragging its feet but because the water shortages have been very regional and a national campaign was regarded as wasteful. The areas with problems, such as South Wales and Wessex, have been busy with water saving publicity for some time, using leaflets, T-shirts, and stickers.

The cost of the advertising is carried not by the Government but by rate payers, but so far the sums invested are insignificant compared with the turnover of the regional boards which can have figures of approaching £100m. a year. The water saving campaign may not be in the multi-million pound class of the "Save It" energy conservation exercise, but these are still early days.

At least it provides more evidence that the big advertisers of the future are likely to be in the public sector-Government departments, local authorities, nationalised industries—rather than the hard pressed packaged goods companies, and it is the shrewd agencies that are alive to the change.

The most successful agencies of recent years have been
Young, gifted . . . and British

BY LAWRENCE PRATT, CREATIVE DIRECTOR HADDON-WPT

WHEN rummaging in my garage recently I found a page from the February 12, 1971 issue of Campaign which contained the ranking of the top 50 agencies according to MEAL for the year 1970. It made fascinating reading, especially when compared to the MEAL ranking for 1975.

Fascinating not so much for the number of agencies that were there then and aren't now, and there are at least eight of those (including the then number six, Bensons), but for the ones not included then and very much so now.

I'm referring to agencies like Kirkwood (number 20 last year), Allen Brady and Marsh (number 21), French Gold Abbott (number 17), and most spectacularly, Saatchi and Saatchi, last year's number five. Three others of particular interest are Collett Dickinson Pearce (then number 11 and now in eighth place), Davidson Pearce, Berry and Spottiswoode (then 20 and now at 12) and Boase, Massimi Pollitt (then a lowly 30 on the list and now in at 15). What have these agencies got going for them that others haven't?

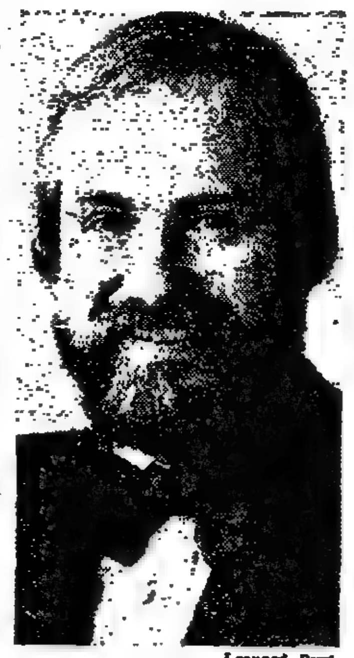
Others like Dorland and Lintas, once high in the golden first dozen are now well out. And indeed, Young and Rubicam, Ogilvy's, Bates and such have stayed in among the biggies, but with growth rates nowhere near as impressive. Even mighty JWT, then number one and still number one, is rumoured to have gone through a nine month period not so long ago without gaining any significant outside new business. If you have lots of billing to start with, you're always going to be putting on some from existing clients. "The best kind of new business," the managing directors always insist. Also the easiest.

Anyway, consider this. What the seven pace-setters have in common is that they are young, bright and British. There is always one glaring exception to these kinds of generalisations, and this time the exception is McCann-Erickson. American owned, big in 1970 at tenth place and even bigger now, at number three.

But to get back to my hypothesis: First, youth. Taken as a whole few of these agencies are older than ten years, and if you take their leading personnel (which after all is all an agency is, people) the average age of the Board of Kirkwood is 35, of Allen Brady, 36, of Saatchi before the Compton merger 31, of BMP 37 and so on.

It used to be that youth was equated with inexperience; this hasn't bothered clients who have moved to these agencies and this is the important thing. Many are blue chip clients moving their accounts from the older, larger, therefore presumably, more experienced agencies.

Look at the last two years: some of the accounts worth £300,000 or more that moved to Collett Dickinson were Parker Pens from JWT, House of Seagram from Ted Bates, Clark shoes from Grey; to Davidson Pearce were Crown Paints from Masius, Meat Promotion from McCann-Erickson; to Boase Massimi were Unigate cheese from Young and Rubicam, Quaker Oats from Wasey; to French, Gold, Ford trucks from JWT, Watney Mann and Ben Truman from Wasey; to Kirkwood Allied Breweries Double Diamond, and John Player Special, both from Y and R, and Legal and General from Ogilvy; to Saatchi, British Leyland from Bates and Leo Burnett and Dorland.



Leonard Burt

Lawrence Pratt

This list is far from complete, and, of course, some would want to interrupt to point out that there have been clients doing the exact reverse, that is, big accounts going back to the big league. But I wonder. . . . The two that come immediately to mind, Ford Cars and Max Factor were actually resigned by, respectively, Collett and BMP.

The second point: they are bright. They have produced advertising campaigns that, begging Heineken's pardon, refreshed the audience in parts that other campaigns missed. Agencies who never win any awards comfort themselves and their clients by maintaining loudly and steadfastly that advertising awards are not important, and who knows, maybe they are not, except that I would contend that agencies who constantly win the tough, respected awards as opposed to the magazine sponsored ones, have much less trouble in attracting really talented creative people.

If you look in the last two annuals of the Design and Art Directors show, the agencies that have won the majority of awards are again from this group. BMP and Collett in particular. This sort of recognised excellence does not seem to go unrewarded.

And thirdly, they are British in origin. There would appear to be a return to the home market by marketing departments. Famous, well-established American agencies that set the trends for creativity in the early 60s have been noticeable more for losses than for gains over the past months.

At this year's Cannes Festival, it was the British and not the Yanks who had a field day and carried home the brass. Because I am an American this may have impressed me unduly.

For my part, I've only looked at the figures, pondered what should be the growth rates, and come to the conclusion that while the top ten to-day is still pretty much the same club it was five, even ten years ago, the top 20 is not.

ADVERTISING'S HISTORY
Funding the past

BY JUNE FIELD

THE £50,000 appeal for funds by the newly formed History of Advertising Trust has not yet got off the ground. The campaign to raise money was launched at the Advertising Association's Conference last month. "But we were not exactly stampeded with offers," admits honorary secretary David Dunbar, director of information services at J. Walter Thompson, which is providing grace and favour offices at 41 Berkeley Square, W.1.

"We feel the figure is quite modest. It only needs 500 of the top advertisers, agencies, media and suppliers to give £100 each." JWT's chairman, Dr. John Treasure, was one of the first patrons, although the group has not yet come up with any cash. "But that is only because I have not got round to asking for any," declares Dunbar.

The Trust badly needs some cash in the kitty, because next month it will be announcing the appointment of a research assistant — a tremendous job which means getting down the nitty-gritty of producing a basic first history of advertising, organising an exhibition, providing a catalogue and index of significant material, as well as putting together a central archive.

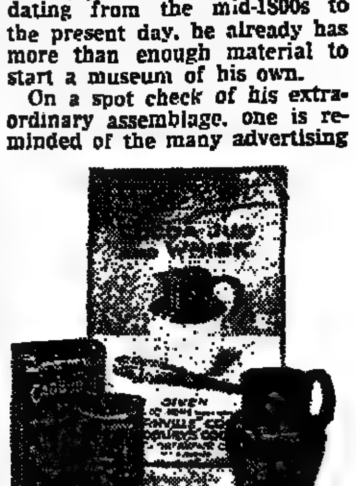
The Times archivist Gordon Phillips is acting as hon. archivist, and will organise storage for any material that is acquired. Jimmy Williams, former director general of the Advertising Association, is the Trust's chairman, and to handle money and administration the Trust is being set up as a company limited by guarantee, and has applied to be registered as a charity.

The main object of the venture is not just to indulge in the current nostalgia for collecting old advertisements, although naturally they play a major part and the Trust will be grateful for any material. The intention is to go much deeper, tracing the reasoning and motivation behind a particular campaign. "The idea is to really find out about the influences that shaped the development of advertising as a business and marketing tool," points out committee member Robert J. Opie.

"It continually amazes me that at the moment one vast area of our activity, that of merchandising, packaging and the distribution of goods, goes virtually unrecorded and uncommemorated, and in consequence is largely open to misconception. Particularly when it is through industry that our wealth is generated. There is no place in this country that tells the story of industrial enterprise."

A marketing man, 28-year-old Opie was responsible for the extremely successful Pack Age exhibition at the Victoria and Albert Museum early this year. With his collection of over 100,000 items (original advertisements, posters, showcards etc.), dating from the mid-1800s to the present day, he already has more than enough material to start a museum of his own.

On a spot check of his extraordinary assemblage, one is reminded of the many advertising slogans of the past that have become conversational currency —"prevents that sinking feeling" (Bovril), "Guinness is good for you," *et al*, while Sunlight soap was one of the first washday brands to be advertised nationally. Drawn around 1900 by John Hassall, the small coloured cards were inserted into magazines before it was possible to directly print colour ads. A homely body reading a broadsheet advertising cheap fares to Cannes, Nice and Biarritz is asking: "Why Go South For Sunlight When You Can Have It At Home?" Another gimmick in 1907 was a set of three postcards showing a young man delightedly discovering a strange securely tied-up parcel which on the last sequence turns out to be a Peak Frean's Biscuit Box.



Advertising give-aways are nothing new. Cadbury's promotion c1910 from Robert Opie's collection.

Give-aways are nothing new. Free gifts have been traced to the beginning of Victoria's reign when an engraving of John Milton was given away by the Milton Press. In 1910 Cadbury's gave a cocoa jug and whisk with coupons taken from its tins and packets. Another invaluable record that Opie has is an old guard book of Benson's which gives the background to various advertising campaigns, such as the name of the artists and the printers break-down of costs and so on.

Opie has his own personal ideas about the costs of running a museum. "You need say £30,000 for a house in South London to keep the things in, and £20,000 a year to keep it going, which would include a £5,000 salary for someone to look after it."

Top U.S. spenders

THE hundred biggest U.S. advertisers increased their spending by 8.7 per cent. last year to a record $8.4bn. according to the annual survey in Advertising Age. Seventy four of the companies registered rises, suggesting that 1975 was a time of improving confidence.

Once again Proctor and Gamble was the top advertiser, spending $35m. more at $360m. Then came General Motors and Sears Roebuck who both invested $225m. in advertising followed by General Foods with $203m. General Mills registered the second largest advertising rise—$21.3m. to $94m.

● J. WALTER THOMPSON in New York has gained one of the biggest single American advertising accounts — the $25m. budget of Burger King, the Miami-based fast food company. The business was with BBDO.

Fewer TV minutes

FOOTE Cone Belding is another agency to come out publicly in opposition to the policy of certain TV contractors to transmit fewer advertising minutes rather than sell time at the "market" price.

Media planning director Simon Lloyd points out that while ITV audiences during the Olympics, and in August, were better than expected there has been a drop of 20 per cent. in the number of commercial minutes transmitted.

The pattern is not uniform. Some contractors, Thames and LWE, Southern, Anglia, Westward, and Ulster, are trying to sell all their available time, while others, notably ATV, Granada, Trident, Stags, HTV and Border, were prepared to transmit more than 30 per cent. less advertising minutes during the Olympics than in the preceding period.

Agencies and advertisers want demand to determine the price of advertising time; some ITV companies prefer to go out light rather than discount on their fixed charges. Lloyd advocates that advertisers should look at alternative media, especially womens' magazines whose circulations are rising again, or else place advertising with the contractors that give the best value and stop planning budgets on the basis of "equal weight" across all the regions, which benefits the hard liners.

● TIME-LIFE International has appointed Vogt and Gliddon to handle the advertising and circulation promotion in the U.K. for Time Magazine.

● THE INDEPENDENT Local Radio revenue for July was £1,315,718, which brings the total for the seven months from January to July 1976 to £7,607,698.

● CHIEFTAIN, a recently formed unit trust company, has appointed Peter Mead and Partners to handle its advertising. The first campaign breaks on September 4 in the national Press to launch Chieftain High Income trust.

● A new advertiser for television is Aluglaze, a network of 300 manufacturers who install replacement doors and windows. A £70,000 six-week test campaign starts next week in the Thames and Harlech regions, and is direct response. The agency is Contract.

● DENNIS CROMWELL has joined James Garrett and Partners, TV commercials makers, as Controller. Mr. Cromwell was previously managing director of N. Lee Lacy Associates' London company.

● SMITHS FOOD Group is launching a £250,000 campaign for its Salt 'N' Shake crisps. For the first time a countrywide poster campaign will be used to promote Smith Crisps, and this will be backed by heavy advertising in the trade press.

● LEGAL and General is launching a new £200,000 autumn campaign featuring a savings plan—Cashbuilder. Television will be the prime medium, and The Kirkwood Company handles the account.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● SAFETY
Protects the power line worker

THERE IS a constant, and considerable, danger confronting power workers who have to work on the "supergrid" power lines that carry 400,000 volts.

To provide for maximum safety of power workers, the International Wool Secretariat (Wool House, Carlton Gardens, London, SW1. Tel. 01-930 7300) has been collaborating with the Central Electricity Generating Board on the problem and the Wool Technical Centre at Ilkley has developed an electrically conductive suit that will offer complete protection to the wearer.

Although very high voltages are involved, it is unlikely that there can be a danger of them being fatal in present operating conditions; but without a conductive suit the worker's own body carries electric currents associated with capacitance, corona, charge and discharge and leakage. Such hazards can cause discomfort and pain and could well lead to secondary accidents.

The new suit, which is a combination of wool and steel, has a resistance of over 100,000 ohms, while the human body has one around 15 ohms. This is some measure of the difference between suit and human body and the relative protection offered.

Although a number of other types of conductive suits have been developed with different materials, the new development, which contains 25 per cent. of stainless steel fibre intimately blended with wool, is felt to provide maximum protection without loss of wear comfort.

In user trials it has been found that in operating conditions the suit affords excellent protection and is lighter and much more comfortable than the cotton mesh suits which until now have been used by the CEGB. The design of the garment is a one-piece boiler suit with glove and boot covers and a protective hood of the same material. It has a wire-mesh "tail" that is attached to the belt and this is used to provide a bonding lead to the "hot line."

The cloth is a 2 by 2 twill gaberdine of about 215 g/sq.m. This is woven from a wool yarn which is intimately blended with 25 per cent. of 12 micron diameter stainless steel and produced in the normal way.

Additional properties are available in the cloth which can, if necessary, be given a shower-proof treatment and can be treated to give full machine-washability. Although inherently flame-resistant, the cloth can, if necessary, be given the IWS Zirpro flame-proofing treatment.

Detector on a chip

BASED on a custom chip design being made for them by AWA, Wormald International (UK), has introduced a series of miniature fire detectors called Intertec.

Contained on a semiconductor chip, which is housed in a T05 can (about ¼ inch diameter), are a resistor-capacitor combination in which thermal effects on the capacitor dielectric give rise to the desired detector characteristic. Alteration of one or two components external to the chip in the plastic housing can produce rate of rise or fixed temperature functions of various kinds. Alarm current levels involved are about one milliamp, used to feed further circuits to produce alarm currents.

In the fixed temperature mode an electronic temperature to voltage converter would be used to operate a solid state switch when a specific temperature is reached. For the rate of rise application, other circuits decide whether the temperature is rising fast enough to constitute a fire condition. If it is not, no alarm would occur until the fixed temperature device operates. Wormald is at 244 Bath Road, Slough, Berks SL1 4DY (Slough 38081).

● METALWORKING
Wet clutch for power presses

BEING INTRODUCED at Mach '76 is a wet clutch for power presses in the 300 to 1600 tons range. Unlike conventional air friction clutches, the internal components of a wet clutch are continuously running in transmission oil, resulting in oil films being present just prior to the friction discs becoming fully engaged—this is claimed to give longer clutch life by reducing wear.

From E. W. Bliss (England), City Road, Derby DE1 3RP (0332 45801), the clutch is described as a compact, low inertia unit comprising clutch, brake, flywheel, internal flywheel brake, quill mounting and tapered roller bearings, providing versatile, easy mounting. A range of interchangeable flywheel sizes is available to suit press energy requirements.

The company, a Gulf and Western subsidiary, says a high intermitten stroke rate has been achieved by water cooling the transmission oil.

Japanese turning centre

WITH THE Swiss-type sliding headstock concept to achieve accuracies within 0.0002 in., the Citizen Micro-Turn E-32 N.C. turning centre from the Marubeni Corporation, Japan has a 16-position vertical turret allowing first and second operations to be carried out in one set-up.

Mounted on the turret are the basic turning toolholders together with a drive mechanism for rotating tools such as mills, drills, slot cutters, etc., for the second operation work, which reduces preparation time, idle time between operations, and tooling costs. The turret indexes in both directions to minimise setting up and cycle times. Spindle speeds range from 175 to 3200 rpm in 15 steps and can be selected at random.

Maximum turning capacity is 1¼ inches diameter by 10 inches long. Maximum drilling diameter on the workpiece centre line is 15/32 in., and threads up to ½ in. diameter can be cut with tap or die. Rotating tools on the turret can be up to ½ inch diameter, and circular cutting blades up to 2.36 inch diameter.

Using an Okipath 880 two-axis continuous path control system, feed ranges are 1-2047mm/min; 0.1-204.7in/min; and 0.01-20.47in/min. Rapid traverse is 118in/min. for the X-axis and 236in/min. for the Z-axis.

Marketing in the U.K. is by N.C. Engineering, 26 Benskin Road, Watford, Herts., WD1 8NW (Watford 24396).

● POWER
No need to stop work

IT IS just as essential that computers and communications systems are able to continue operating when there is a power cut as it is for lighting and security installations to function without interruption.

Standby electrical supplies are available from many sources and a company which reckons it has units (for their size) as good as any is Randalls Northern Electronics which is now marketing a small portable unit called Powersafe claimed to provide 500 Watts for three-and-a-half hours.

It can be used for office lighting and machines, security and communication systems.

Another unit has been designed to provide power up to four hours for mini-computers, peripherals and terminals. Full rated output is 500 Watts, but as in the case of the Powersafe it will maintain a supply proportionately longer at lower powers.

Both units are automatically maintained on full charge when not in use and they switch on automatically in the event of mains failure.

Full details of these and other units can be obtained from the company at Trent Works, 8 Felton Road, Nottingham NG2 2EH. (0602 861126).

● NAVIGATION
Cuts costs for private pilots

TWO radio-based navigational aids widely available to all pilots are the VHF beacon (VOR) and, usually co-sited with it, distance measuring equipment (DME). The pilot obtains a bearing on the beacon and his distance to it. Alternatively he might use a fix derived from two VOR beacons some distance apart.

In any event his next problem is to convert the information read from the dials to his actual position on the map—a tricky single-handed problem while continuing to control the aircraft. Large commercial aircraft have on board equipment for this; the private pilot however, may not care to pay from £2,000 upwards for a course line computer.

An alternative solution being sponsored by NRDC is a series of charts on which all the necessary computation has been carried out in advance. It is called graphic area navigation, or GNAV, and the first charts are being marketed by Wansbrough-White and Co., Chiswick Mall, London, W4 (01-994 0964).

Main marketing effort, however, is to be aimed at the U.S. where there are some 700,000 private pilots, a population which is predicted double in the next 10 years.

A chart for a particular area consists of a set of orthogonal lines—like ordinary graph paper—on which is imposed another set representing latitude and longitude: by the nature of the computation, these turn out to be curved, so that the map is "warped." According to NRDC, which has sponsored trials at Illinois University, this apparent shortcoming is soon ignored by the pilot. The map also contains place-names and other topographical information.

All the pilot has to do is plot his pair of radio-derived readings, VOR/DME or VOR/VOR (there are charts for either). He then reads his position on the map. About 50 of the charts cover the U.K., for each kind of navaid pair.

The U.S. investigations have also shown that there is less chance of a private pilot ending up in the wrong place—as he would do if he put the wrong figures into a course line computer; with GNAV charts a wrong initial input will probably show up from the obviously wrong position on the map. Furthermore, as he flies his course he can take many frequent fixes quite easily and make corrections accordingly.

● TRANSPORT
Controllers for traffic

A YEAR AGO Philips launched a microprocessor suitable for roadside installation, capable of solving a variety of intricate traffic control problems ranging from complex intersections to area control including "green waves." For simple intersections an electronic controller was available, not equipped with a built-in processor, but that could be brought into a co-ordinated higher-level system along with other controllers.

The gap between the two systems has been filled with a more complex intersection controller, that uses a microprocessor. Designated as type 86 AD 175, it has evolved from a system developed for Australian conditions by Philips' System Engineering Centre in Sydney, represented by many hundreds of units in service in New South Wales. If required, co-ordination of the new controllers can be effected by cableless linking, using electronic tracking clocks of high accuracy.

Operation of the new controller is based on a number of stages, a stage being a combination of non-conflicting traffic streams. The basic number of stages available is 7, and in each stage individual signal groups can be altered to suit changing circumstances.

The number of signal groups available for allocation to stages is 12 for vehicular streams and four for pedestrian streams. This is a long way from the six-signal group capacity of the simple intersection controller.

A switch to the next stage need not necessarily be accompanied by an aspect change of a particular signal group and the green phase of a signal group may extend into the subsequent demanded stage.

The length of the all-red clearance period can be made dependent on a specific stage-to-stage transition. Within a stage some conditional behaviour may be built in, for example, pedestrian green on demand only (pelicans), so that the change to the next stage demanded is not delayed unnecessarily.

Philips Telecommunicatie Industrie, POB 32, Hilversum 1301, The Netherlands.

● COMPONENTS
'Instant' pipework

PIPELINE material, ideally suited for emergency or temporary use for distribution of water handling effluents, etc., is brought to the market by L.C.A. Pipelines.

The system is lightweight—approximately one-fifth that of steel—and is manufactured from filament-wound fibreglass and epoxy resin to give high strength and an in-built resistance to corrosion.

Referred to as "Kwikey" it incorporates a unique quick connect joint, which will withstand end loading and, therefore eliminate the need for anchor blocks. This joint is fully recoverable, thus enabling the line to be quickly disconnected and stored for future use.

As an example of how quickly the pipe can be assembled, a two man crew can easily make 72 joints per hour using two-inch diameter pipe and without the need for special lifting or handling equipment.

Pipe comes in sizes 2-inch to 48 inch in lengths up to 6 metres and can be designed for working pressures up to 2,000 psi. The system comes with a full range of fittings, including tees, elbows, bends, etc.

LCA is at Whitehall Estate, Leeds LS12 5PZ. Leeds 634200.

● AVIATION
Quick test of complex engines

COMPUTERISED equipment which will enable jet engines to be tested more efficiently after major repair or overhaul, has been ordered by the Ministry of Defence (Procurement Executive) from Marconi-Elliott Avionic Systems.

Called the Automatic Data Processing (ADP) unit it is being developed and produced by the company's Powerplant Systems Division at Rochester, Kent. It will be delivered to RAF Coltishall for use in the ground test facility for Adour engines, which power the Jaguar aircraft in RAF squadron service.

With the equipment, an operator, testing an engine from a control room adjacent to the test bed, will be able to proceed rapidly through the test schedule. He will do this by carrying out instructions presented by the computer on a desk top electronic display. The need for lengthy manual calculations between tests, to establish that each is satisfactory before proceeding, will be eliminated by the use of the system. This will shorten testing time considerably, saving fuel and costly wear.

The ADP does this by gathering data from the engine automatically, processing it in the computer and displaying test results continuously. The computer also constantly checks that engine parameters (functions of temperature, pressure and speed) always remain within safe limits. Should these be exceeded, the operator is clearly warned, enabling him to take immediate action to avoid engine damage.

Further information from the company at Airport Works, Rochester ME1 2XX. Medway (0634) 44400.

● COMPUTING
Agreement in systems projects

AN AGREEMENT has been signed between P-E Management Systems, part of the P-E Consulting Group, and Quadrant Software, under the terms of which the expertise and services of both companies will be made available more effectively to computer users throughout the U.K.

P-E and Quadrant have been working closely together on a number of assignments over the past 12 months. P-E, whose systems and programming division, is based at Egham, Surrey, have called upon Quadrant's assistance on Northern based assignments; Quadrant, with offices in Altrincham, Manchester, have called upon P-E's assistance on Southern based assignments.

Due to the success of this association, attributable largely to the similar services offered by the two companies and the particular emphasis of both on high quality standards, a formalised agreement has now been signed to enable a wider range of services and software products to become available throughout the U.K.

P-E on Egham 4411. Quadrant on 061-928 8302.

More heads make light reading

MAGNETIC heads for use with credit and cheque card systems have been added to the range designed for the data collection market by Magnetic Components (data products division).

The new heads provide three "write" and three "read" tracks (in the write "wide," read "narrow" mode) to meet the ISO, IATA and ASA specifications for dealing with card information.

Magnetic Components says its new design enables original equipment manufacturers to supply standard units to meet any card information format demanded by their customers.

Magnetic is at Bridge Warf, Chertsey, Surrey. 01-874 4140.

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THURSDAY SEPTEMBER 2, 1976

Unemployment rumblings

THE GROSS TOTAL of those unemployed in the U.K. passed 1.5m. for the first time in mid-August, and this was bound to be the main topic of discussion at yesterday's meeting between TUC leaders and the Prime Minister. This is by no means the first time, of course, that the sharp rise in unemployment has been discussed between the TUC and the Government. There is a spectrum of remedies proposed by different union leaders, ranging from outright import restrictions and reflation of consumer demand at one end to action against dumping and selective intervention to increase training facilities and ease marginal unemployment at the other. The Government has so far stuck firmly to the latter end of the scale, and in doing so has enjoyed at least the tacit consent of a majority of the General Council.

But it clearly becomes more difficult both for the Government and for those union leaders who have so far supported it to stick to the same line as unemployment continues to rise. The official view is that the figure is now at or near its peak and should begin to fall before the end of the year; but the cuts that are being made in public expenditure, and the loss of jobs in the public sector which these will cause, have naturally caused a loud outcry from leaders of the unions most likely to be affected. The issue will be raised at next week's annual Congress of the TUC without doubt.

Spending cuts

That, perhaps, is why the latest Government circular to local authorities about expenditure cuts both warns them to reduce their present level of current expenditure and requests them to avoid redundancies as far as possible. This gesture is unlikely to satisfy, for example, the National and Local Government Officers' Association which, together with the National Union of Public Employees, has been the most vociferous opponent of the spending cuts. NALGO, in fact, has put down an amendment to be debated next week which notes with alarm the loss of jobs involved, calls for expansionary measures to bring about the TUC target (more ambitious than the Government's) of unemployment down to 600,000 by 1978, and suggests that present Government policies can only lead to further sterling crises and still higher unemployment.

It is likely enough that this and other motions openly hostile to Government policy will be composited into one and then defeated by the big battalions, on the grounds that the TUC must continue to support the Labour Government. It should not be lost sight of, after all, that a policy which aims at cutting unnecessary expenditure in the public sector for the sake of concentrating on the expansion of manufacturing industry may be unpopular with public sector unions but quite acceptable to those whose members are concentrated in industry. Even if the composite motion takes a form which the larger unions feel able to support, it is unlikely to affect much the general support of the TUC for Government policy.

Seasonal rise

It may well be possible, after all, for the Government to go further in the direction it has been travelling so far without introducing general import control or reflation. The dumping situation in particular industries can be watched even more closely, with the unions as well as the employers concerned perhaps playing a larger part in initiating investigation. There may be scope for still more selective measures to save jobs at relatively low cost to the Exchequer—though we may be close to the point where help aimed at groups which have suffered particularly badly (school-leavers and women, for example) can be said to be at the expense of the adult male unemployed, with whom the TUC is predominantly concerned in practice. Even if it were not sensible for the Government in any case to do whatever can be done without sinking its own overall policy to ease the burden of unemployment and keep the TUC on its side, the fact is that, even if the trend of unemployment is now close to its peak, the crude figure will continue to rise for purely seasonal reasons and the pressure to change course may become intense by the end of the year. The timing of the next loan from the International Monetary Fund, with no doubt tough but useful conditions, will be a matter of internal as well as external diplomacy.

India pays a heavy political price

IT IS IMPOSSIBLE not to regret, on grounds of principle, the changes to the Indian constitution which are now going ineluctably through the parliament in New Delhi. For many years Indians boasted, with some justice, of the liberalism of their parliamentary arrangements, of the independence of their judiciary, of the freedom of their press and of their intellectuals, in all of which respects India appeared to be set apart from most of the rest of the developing world. These elements of democratic liberalism were sharply curtailed by the state of emergency declared by Mrs. Gandhi a year ago, and the process will be carried still further by the new amendments to the constitution.

Censorship

The authority and independence of the courts will be more circumscribed in future, especially on questions affecting the constitution itself. The president will not merely be obliged to fall in with the wishes of the prime minister, but will be empowered to make any additional changes to the constitution that the authorities may deem desirable, without recourse to parliament. Strikes will be forbidden in the public services. And censorship, already one of the most notable features of Mrs. Gandhi's emergency régime will be tightened up; indeed, reporting on yesterday's constitutional debate was itself censored. The net effect of the changes will be formally to concentrate still more power in the hands of Mrs. Gandhi, and strengthen her hand in controlling or suppressing political opposition.

Does it matter? There are those who would argue that parliamentary democracy before the emergency was a corrupt game played by the privileged few; that it failed to provide any of the answers to India's pressing economic and social problems, and was bound to fail in a country with so much poverty and so much illiteracy; and that freedom of politics and of the press is marginal beside the central question: can Mrs. Gandhi do better in tackling India's economic problems? This is not by any means the only plausible analysis of the state of affairs leading up to the emergency. But in the absence of any prospect of a return to liberalism, it is a useful and stern test, on her own terms, of the Gandhi régime.

Favourable

By this test, the initial effects of the emergency appear to have been favourable. Petty corruption and bureaucratic inefficiency were sharply reduced, at least in New Delhi. The rate of inflation was dramatically slowed down. The government was able to claim a rapid increase in industrial output. And as it happened, a satisfactory monsoon produced an excellent grain harvest.

At the time of the Aid India Consortium meeting earlier this year, the World Bank passed a very flattering judgment on the recent performance of the Indian economy. Yet it is not certain that this performance is entirely due to Mrs. Gandhi's measures, still less that it will be durable. Quite apart from the harvest, which was due to the weather, the fight against inflation was started in the pre-emergency budget, and there have been recent signs of a new acceleration in prices. Tax concessions in this year's budget may stimulate activity in the private sector, but the 31 per cent. increase in public sector investment is clearly a calculated risk. Mrs. Gandhi has been lucky as well as successful so far. But the political price which has been and continues to be paid is a heavy one.

As Dr. Kissinger continues his shuttle diplomacy with Mr. Vorster, **Bridget Bloom** looks at the issues involved in bringing peace to Southern Africa

Southern Africa—a formidable task for the flying diplomat

South African Premier, John Vorster, with U.S. Secretary of State, Dr. Henry Kissinger, smiling as they leave their talks in Bavaria last June.

DR. KISSINGER'S new interest in Africa is beginning to involve him in the sort of shuttle diplomacy for which he became renowned in the Middle East. The Secretary of State arrives in London to-morrow evening, and flies to Zurich for his second meeting in under three months with South Africa's Prime Minister, Mr. Vorster. On Monday, he is back in London for talks with Mr. Callaghan. The U.S. aircraft on standby may well then take him to Africa itself, for the second time in under five months.

From his public pronouncements so far, it is clear what the Secretary is trying to do. In his latest speech on Africa, this Tuesday, he told a Black American audience that Africa "is one of the compelling concerns of our time." Africa was an area of conflict, "of young African students killed in riots, of guerilla raids or refugee camps attacked in reprisals. As long as these conflicts fester, Africans of all races will be caught up in a widening and escalating cycle of violence. Until these wars are ended, Africa faces a future of danger, anguish and growing risks of foreign intervention." This, Dr. Kissinger said, was why he was meeting Mr. Vorster again "in the next step in an intensive diplomatic effort ushered in by my visit to Africa in April."

Since that journey, when he visited eight African countries, including the key "frontline" states in southern Africa, there has been a good deal of speculation that Dr. Kissinger has a grand plan to try to bring peace to the southern tip of the continent. The reality is probably that, though he has certain goals fixed in his mind, and a range of specific if only potential solutions, there is as yet no overall plan. Much as in the Middle East, he hopes that a workable overall plan will evolve out of his insistent and very particular brand of diplomacy.

Dr. Kissinger has come late to Africa. Had he been able to see the dangers to peace ahead of, instead of only during the Angolan war earlier this year, his efforts might now have a greater chance of success. But even if seasoned observers of Africa may take his claims to success so far with a pinch of salt, it would be foolish to deny that the active interest of the United States in the area is an important new and possibly positively encouraging factor.

The U.S. Secretary of State, like British Ministers and Black African Presidents, defines the three major issues as Rhodesia, Namibia and South Africa, recognising the first two as essentially colonial problems, demanding the withdrawal of the white "colonial-type" government (in the case of Rhodesia) and of the colonial power (in Namibia). South Africa is recognised by all as a problem of a different—and much more complex—order, stemming essentially from the long settlement of whites there. It is also to be treated differently for a pragmatic reason: its help is crucial if peaceful solutions are to be found in Rhodesia and Namibia.

Concrete plan

On Tuesday in his Philadelphia speech, Dr. Kissinger described Rhodesia as the "most immediately dangerous," and he endorsed, once again, the policy expressed by Mr. Callaghan on March 22 that the only solution for Rhodesia is Majority Rule within a period of 18 months to two years. No doubt Rhodesia will be top of the agenda when Dr. Kissinger meets Mr. Tony Crosland, the Foreign Secretary to-morrow, and again in his Monday meeting with the Prime Minister. But does he, or do the Americans and British between them, have a concrete plan for Rhodesia?

In outline, the answer is yes. The aim is to get Rhodesia's Whites to accept majority rule and in subsequent negotiations to try to guarantee their future in a Black-ruled country. There are enormous difficulties, however, not the least of which is to find a body of Whites who will accept majority rule. Mr. Smith, Rhodesia's Prime Minister, shows little sign of doing so, and it seems that both Washington and Whitehall have accepted that there will have to be a major crack in the monolithic ruling Rhodesia Front Party. Such a crack, which some observers see signs of already, could well produce a government even further to the right of Mr. Smith. But this might then rapidly throw up Whites prepared to accept the inevitability of Black rule. (One possible result is that the Rhodesian armed forces will ultimately recognise that they cannot win and will stage a coup—much as did Spinola in Portugal — against the civilian government.)

But even if Washington or London wanted actively to encourage such developments, their lack of direct contact or leverage in Rhodesia would make it difficult. This is where South Africa is of vital importance. Dr. Kissinger—and Mr. Callaghan—would like South Africa to stop arms supplies to Rhodesia and make it extremely difficult for Rhodesia — now virtually dependent on South African railways and ports—to trade with the outside world. Knowing that South Africa has set its face against boycotts of any kind, they know that such pressure could only be applied covertly by Mr. Vorster. They believe that something may already have been done: they no doubt hope that more will be achieved following this week-end's meeting in Zurich.

But even if the Whites were to crack, as a result of diplomatic pressure, what then? There seem to be three key points in the strategy, all fraught with problems. If the pressures to be applied by South Africa represent the stick, the carrot would be financial guarantees to persuade the Whites to stay after Black rule. There is a bone of contention here with the African states, whose leverage on the Rhodesian and Namibian Black nationalists is quite as vital as South Africa's on the Whites. President Nyerere of Tanzania, for example, wants incentives for those Whites who oppose Black rule (presumably the majority) to leave. There are also the wider and politically significant moral questions (which would certainly be voiced on the British Left) about "compensating" White supremacists who are rebels to b:ɔt.

However, even if guarantees were to be agreed (and several schemes are under active study) they can only be limited. If the money could be found, presumably schemes for paying the pensions of some 30,000 White civil servants, and finding them homes and alternative jobs elsewhere, could be devised. But what of land, a deeply emotive issue among Black as well as White Rhodesians? One suggestion is that a Western financed Fund should buy all White owned farms, re-lease them to their present owners and scale payments (or "compensation") according to how long the owner stayed. But if all stayed, or a majority stayed, 50 per cent. of Rhodesia would still be owned by Whites: not a solution that any Black Government, even the most moderate, could contemplate.

Thus it would seem inevitable that any workable guarantee on tangible assets like land would (as was the case in Kenya) have to involve the future Black Government. And that, of course, is the second key problem, for Rhodesia's Black leaders are still deeply divided. In spite of the growing success of the guerillas, they have not yet produced a new leader, and the old guard politicians are, if anything, more split now than they were in 1975 at the height of the last effort to get negotiations going between Mr. Smith and the nationalists. (It is one of the tantalising "ifs" of history: if Dr. Kissinger had taken an interest in Africa at that stage, and put the full weight of the U.S. behind the joint efforts of the African Presidents and Mr. Vorster, would those negotiations have succeeded?)

The third key question on Rhodesia concerns Britain. All plans, whether from London or Washington, are being kept under strict secrecy. There is no doubt that there is a great deal of Anglo-American co-operation over Rhodesia, but there does seem to be one big point of difference. Washington seems to envisage that, once Rhodesia's Whites have accepted majority rule, Britain would step in to hold the ring. This could involve a major British presence including police or even troops, a possibility to which there is deep opposition in the Labour Party and probably elsewhere.

Diplomatic effort

All these are formidable obstacles and Dr. Kissinger was clearly right to say on Tuesday that there was "no guarantee that our current diplomatic effort will succeed." In Rhodesia, at least, the odds are very heavily against success. Time is not only running short; it has probably run out, at least until the guerillas have achieved more successes and have produced a leader whom the front-line African Presidents (at present torn between different factions) can also back.

In Namibia, however, there may be more hope. Here, too, the outline plan involves a rapid transfer to majority rule, but it depends for success even more crucially on South Africa. On Tuesday, Dr. Kissinger hailed as a "major breakthrough" the news that a date (December 31, 1978) has been set for Namibian independence, and that the territory is due for independence as a unitary state, with a multi-racial government in the interim. And so, in a sense, it is, for up to now South Africa has tried to impose the separate development concept of Bantustans for both a dependent or an independent Namibia, thus resolutely attempting to keep the territory under Pretoria's control.

However, for diplomatic moves on Namibia even to get off the ground, two things are vital. First, South Africa must be persuaded to involve Swapo, the main Namibian nationalist party, in negotiations on the future constitution, and secondly, it must accept that the UN—for the territory is still internationally accepted as a UN mandate—either supervises or at the very least observes elections leading to independence. It may be expected that Dr. Kissinger and Mr. Vorster will spend a lot of time on these two points this week-end.

In so far as Dr. Kissinger has a concrete plan for Namibia, it appears to centre on talks involving South Africa and Swapo, as well as the appointed delegates to the South African sponsored constitutional conference in Windhoek, the Namibian capital. These talks, it is being suggested, would take place in a neutral capital—perhaps Geneva. Their aim would be to work out a constitution acceptable to all, as well as the mechanics of an interim government which would arrange the transfer of power to the party which won the UN-supervised elections.

There are innumerable problems here too, among the most crucial being the attitude of Swapo, whose representatives have so far greeted the news of the independence date as the work of South Africa's "stooges and puppets." But fundamentally what matters is South Africa's own attitude. Put simply, the question is whether Mr. Vorster is prepared to administer the same medicine to Namibia as he has in the last two years been prescribing for Rhodesia.

Not only would South Africa have to agree to talk to Swapo and compromise on a UN presence, but it would have to agree to the release of Swapo prisoners in its jails, and make it clear that the estimated 10,000 South African troops now in Namibia would be withdrawn in advance of independence, and probably in advance of the elections.

Given White South African realities, that represents a very tall order indeed, and the only conceivable reason why Mr. Vorster might be prepared to fulfil it is that he may feel that South Africa's own interests would be better served by so doing. He might reason that South Africa would be better protected by a nationalist government in Namibia which had came to power peacefully, and not with the possible help of foreign powers. He might also feel that to do the Americans bidding (and in a sense the international community's) might win him some internal respite.

Delicate problem

There is no evidence to suggest that Dr. Kissinger has offered to soften his line on apartheid if Mr. Vorster co-operates in Namibia, although fears that there may be elements of such a deal between the two men are expressed by some African politicians. Undoubtedly, however, Dr. Kissinger's most delicate problem this week-end will be what he says about South Africa itself and what course of action he indicates he might take. It is noteworthy that in his Philadelphia speech—perhaps because fears of a right-wing backlash in the U.S. itself are diminished with Ronald Reagan out of the Presidential contest—he felt able to be more critical than he has so far been of apartheid. "No system that leads to periodic upheavals and violence can possibly be just or acceptable," he said. "Neither can it last."

What happens in South Africa itself, however, is unlikely to be Dr. Kissinger's problem for very long. He is right to stress that time is running out in respect of Rhodesia and Namibia, even if some of the current urgency comes from the knowledge that he may well not be in office five months from now. But if on Namibia he manages to persuade the various parties to sit round the conference table, he will have done well. And even if that does not materialise, he will at least have bequeathed to his successor a policy which at last admits a concern for what happens in an increasingly crucial area of the world.

MEN AND MATTERS

Livening up the dull days

To relieve the tedium of doing relatively little business in a silly season stock market stockbrokers Pember and Boyle decided to run a little competition among their major clients. In view of the talk which has been going on about the possibility of a variable interest rate bond P and B sent out a note with their yield lists offering a bottle of champagne to the first of their clients who could provide details of the last British Government issue to incorporate variable interest rates.

They did it for fun, but the joke got better as it went the rounds. P and B devoted a special phone number to the exercise, and those who know detected that this was not the normal number of the firm—and suspected a hoax. A member of Mullens (the exalted firm which acts as Government Broker) guessed that P and B had sent out a key telephone number from the Bank of England: he was agreeably surprised when he tentatively rang the number and discovered that the man at the other end was in fact an old chum of his at Pembers.

For the record, the stock referred to in the question did exist: the 5 to 15 year Treasury Bond, issued in 1920 and a tap stock until April 1921. The bonds had a nominal interest rate of 5 per cent., but this was subject to adjustment related to the average rate of discount on the Treasury Bill issue to the public.

Just to round the story off, Pember and Boyle found themselves handing out two bottles of champagne. First to the telephone with the correct answer was the Shell International Pension Fund, but the Scottish Amicable was not far behind, and was awarded an equal prize because it received the challenge a little bit later.

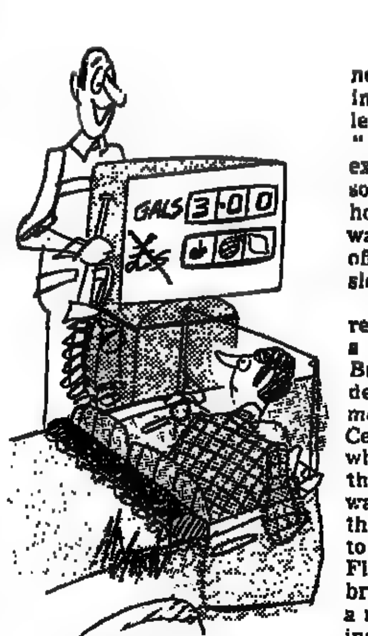
Dail struggles

Despite the grim realities of terrorism, perhaps we should forgive the Irish their current lack of excitement over the Government's new State of Emergency plans. After all, one deputy reminded the Dail he had been living under a State of Emergency since he was four, a revelation that was directed to a parliamentary audience of j::t 11.

The emergency he talked about was declared at the outbreak of the last war, and repealing it later slipped everyone's mind. As to the present debate, the mood of grim determination set by Prime Minister Liam Cosgrave in his opening speech was soon dissipated and for much of the subsequent time the Dail has struggled to provide a quorum. Indeed more deputies had to be summoned rapidly yesterday when the opposition Fianna Fail party took stuffy exception to the low turn-out and complained to the Speaker. As the Irish Times commented, the emergency idea "seemed strangely irrelevant and remote. There was no sense of the enormity of the step being proposed."

Making model efforts

Many are the stories about how commercial travellers relax. Matt Ascough, organiser of the European festival of model railways, swears he knows some who carry model railway layouts around in their cases to while away evenings in hotel rooms.



"Would you care to try for the jackpot, sir?"

In the world of rail modelling practically anything seems possible, and the decline in the fortunes of the real (British Rail) thing seems to make the hobby more and more popular.

The most telling illustration of that is the entry into the market this year of Airfix Industries, the company long associated with many sorts of toys with the exception of model trains. Airfix watched the craze a few years ago for "Hot Wheel" type model cars eat into the then stagnant model railway sales. But stagnation has been replaced by rapid growth lately, and the market is now reckoned to be worth £15m. a year.

Model railway experts shy away from the description of "toys": adult involvement is all-important though Ascough says only ten per cent. of children given train sets for Christmas or birthday actually go on with the hobby in later life.

Airfix has gone into the business in an ambitious way, talking of doing more than just letting the trains go round. "Human involvement and excitement" is promised in some kits, complete with "train hold-ups, exploding bullion wagons and deadly rockets," offering "a whole new dimension to model railway buyers."

Makes playtime, whether for real or grown-up children sound a nerve-wracking undertaking. But things were actually a good deal quieter this week at the model railway festival in the Central Hall, Westminster, where Airfix has a stand among the plethora of foreign railwayana. It must be said, though, that pride of place goes to the Nuremberg-based Fleischmann company, which brought across for the occasion a massive £30,000 layout, featuring 20 or so sleek-looking continental expresses snaking round an Alpine-type mountain up which more elderly-looking trains toil.

However, just to underline how eccentric the whole business is, a layout of the month award has been given to a fairly stark reproduction of what is obviously a British railway scene, complete with grime and coal wagons of ancient appearance. Homely.

Wooden prose?

American business jargon can be maddening, but it can also be quite amusing. I particularly like the following letter sent to me by a reader who enquires: "Following receipt of a letter from 'The Desk of the President XYZ Co.' should I write back 'Dear Desk . . .' or take a more aloof approach with a curt acknowledgement postcard, 'It is regretted that we do not enter into correspondence with furniture'?"

Observer

ECONOMIC VIEWPOINT

BY ANTHONY HARRIS

The allure of the floating rate bond

AN American engineer once built a bicycle with backward-sloping front forks—an inherently twitchy machine. This willing martyr in the cause of science (perhaps it was a cousin of his who lived for more than a month in spectacles which made him see the world upside down) collected an impressive number of bruises before he had satisfied himself that no-one could ride the machine, however hard they tried. No one has ever tried to market such a machine.

The Bank of England, it sometimes seems, is made of still sterner stuff, for despite a persistent battering over recent years, it has so far persisted in its efforts to control the money supply through a mechanism which is also, in the short term, inherently unstable. The basic reason for this instability should by now be well known, though it often seems to be overlooked by those who criticise the authorities for failing to keep monetary growth within its official target limits, month by month. It is, to put it at its simplest, the fact that it is only possible to sell large quantities of stock on a rising market. Sales of gilts therefore tend to be made in large waves, while interest rates are falling, as in the early months of this year, alternating with long droughts.

In the past, when the Government's financing requirements were much more modest, and no one was in any case particularly worried about movements in the money supply, this feature of the market caused no real trouble. In periods when the Government deficit was producing easy conditions in the money market interest rates tended to fall as a result of market forces, and the demand for Government stock rose accordingly.

In a monetarist world, however, it is much more difficult to get monetarist results. Once the authorities are pursuing known monetary objectives, the news of a rise in the money supply produces intense speculation about what the authorities will do to counter it. It is generally feared that official action will be taken to force interest rates up. As a result, *investors who might routinely* invest part of their cash income in Government stock hold off, fearing a fall in the market. This rise in bank deposits and CDs appears in the next month's money supply. As a result, news of a sharp rise in the money supply tends to make the subsequent rise sharper than it would otherwise be.

Two ways

These facts are well understood by the officials concerned with market management at the Bank of England, and they have tried to meet the situation in two ways. The first was silence, and the second drama. The authorities have always said as little as they possibly could about any monetary targets they might have, and used vague terms like "appropriate" rather than naming any precise figure. *They have also maintained* a studied insousiance about month-to-month changes in the rate of monetary growth, stressing that the series have always shown large fluctuations.

However, under pressure from the City, the Press and *lately from the International* Monetary Fund the Chancellor has been forced to be more and more precise about monetary policy; and the authorities have therefore taken such advantage as they could of the inherent instability of the system. They have met crises of confidence—nearly always of foreign confidence—with very energetic action to raise interest rates. Once it is thought that "crisis rates" have been imposed, the market looks for a return to normality, and the demand for Government stock picks up.

However, markets learn by experience, and the response is likely to become less keen on each successive trip round the switchback. A merchant banker of my acquaintance summed it up after the successive rises in minimum lending rate in April and May: "The Grand Old Duke of York rules." This kind of cynicism hardly suggested that the troops would be as eager as ever to march to the top of the hill, and so it has proved. To change the metaphor, the market requires successively stronger stimuli to satisfy its jaded appetite. The prospective yields now widely discussed in the market are as high or higher than those which ruled 13 months ago, when the rate of inflation was twice as high, and the Government's willingness or ability to tackle the problem was widely questioned.

This background suggests that the difficulties which the authorities are now finding in controlling the money supply and financing the Government borrowing requirement outside the banks were to some extent inevitable. They have certainly *been intensified by the history* of recent months—the slide in the pound, the consequently higher inflation forecasts, and most recently by the drought; but even in more favourable circumstances, difficulties would have arisen.

The pressure has been greatly intensified in the last two months by two facts. The money supply has clearly begun to grow much faster than official policy envisages; and at the same time the rise in unemployment has greatly stiffened the political resistance to any further rise in interest rates. Something must clearly be done soon, yet the traditional answer, a sharp rise in rates, would clearly enrage industry and the trade unions.

5-15 YEAR TREASURY BONDS.

"The Bonds will carry Interest at the rate of 5 per cent. per annum payable half-yearly on the 1st May and 1st November *and subject to the conditions stated below*, will carry additional interest payable during the period ending 1st May, 1925, as follows—

If and when during any half-year ended 1st May or 1st November, the Treasury Bills issued to the Public were sold to them *at an average rate of discount (as certified by the* Bank of England) exceeding 5½% and under 6½% per annum	**Additional Interest will be payable on the Interest date next succeeding such 1st May or 1st November at the rate of 1% per annum.**
If and when such average rate of discount was 6½% per annum or over	**at the rate of 2% per annum."**

The one and only: Part of the prospectus for the sole floating rate Government bond, dated 1920.

In fact the Chancellor has little need of reminders from pressure groups: the Treasury has been actively worried about interest rates ever since the review of public expenditure last year first made it clear that a successful attack on inflation might make the burden of debt interest unprecedentedly large in real terms, and as a proportion of national income.

At the same time financial analysis from industry, the City and more recently from the Bank of England has drawn attention to the way in which high nominal interest rates inhibit long-term investment, even if "real" interest rates are low. High rates impose an immediate burden on cash *flow, already strained by inflation*: and should inflation abate, they could impose a heavy burden on earning capacity.

Industry's answer has been to rely on medium-term finance from the banks—term loans or roll-over loans which effectively offer a floating rate of interest. A similar solution is, of course, the one most widely canvassed for the Government's finances.

A floating-rate Government bond was first proposed as a solution to the present *dilemma in a circular from W.* Greenwell and Company, the stockbrokers, last November, and the authorities have made little secret of their interest in the idea since then. For a time, innovation seemed unnecessary: rising confidence made it possible to secure a large fall *in short-term interest rates*, and very large sales of Government stock in the early months of the year; and despite the severe setback of the sterling crisis, the Government clearly hoped that the announcement of a tight incomes policy, backed by the July cuts and the prospect of North Sea oil revenues would quickly restore market confidence.

Those hopes have been disappointed; and in the circumstances which have been described, the attractions of an experiment with floating rates hardly need stressing. From the point of view of the monetary authorities, the instability of the system would be reduced: demand for a bond whose rate would rise with market rates would be keenest when the demand for fixed-interest securities is lowest, when a rise in rates is feared. Indeed, if *monetary growth could be* checked in this way speculation about a rise in rates might be stilled, so that sales of floating-rate bonds might make it easier to sell normal fixed-interest securities.

From the point of view of the Chancellor, an immediate rise in rates might be avoided, while in the longer term a reduction in inflation would promise some reduction in the cash cost of debt service. The proposal also has the negative virtues that floating rate paper is familiar in the market (indeed the Government itself issued one floating-rate bond of a kind in 1920, and sold about £20m. worth to small savers through the Post Office) and raises no issues of principle.

Holding

There are *difficulties*, however, and the greatest is clearly to identify the potential market for such a security, and devise suitable terms. The bare idea of a floating-rate bond has already attracted some unfavourable comment from institutional investment managers. However, this is very far from conclusive. An instrument need not stand or fall by whether it is an attractive permanent holding for a pension fund.

First, a floating-rate bond, which would have a relatively stable capital value, might appeal quite strongly to the small investor, reluctant at the moment to risk further losses in the stock market—or indeed the gilts market—but ready to look at any safe investment offering a better income than bank or building society deposits. For oddly similar reasons, the bond might be *taken up by the banks, which* have recently had an unhappy experience in the gilts market, since by definition almost they are under pressure to sell when the market is against them. The Government might in this way be able to mop up some of the surplus reserves of the banking system (partly but thinly concealed) without resort to special deposits.

For large sales, however, some market must be sought among those with large funds at their disposal—the institutions, and companies maintaining a relatively large cushion of liquidity. Essentially this is a matter of attracting funds which might normally go into gilts, and might later be switched into gilts: and what such potential holders would require is some assurance that such a switch could be made without unduly depressing the market for the floating bonds. There seems to be no problem in principle here: floating bonds can be seen essentially as long-term Treasury bills, and it would be appropriate to accept them in a switching operation, just as the authorities now relieve the monetary squeeze caused by heavy gilts sales by buying in Treasury bills.

Given such an assurance—a problem of presentation more than anything else—floating rate bonds might appear as a very attractive alternative to the CDs, Treasury bills and other near liquid assets which the institutions now hold when they are waiting for a market turn. It is problems of this kind which are now probably holding up a decision: just because the potential attractions are so great, it is essential to make a launch successful.

Letters to the Editor

Indexed plan leasing

From the Managing Director, N.C.B. Staff Superannuation Scheme.

Sir,—I was most interested to read Mr. Yorath's views (August 26) and his plea that Pension Funds provide the funds needed by industry for re-equipment. Almost two years ago we set up a scheme operating under the banner of CIN Industrial Finance to provide direct to industry all the funds required for the construction not only of new manufacturing units, but all necessary plant and equipment needed to commence production. The scheme includes the provision of funds for the complete re-equipping of existing production units.

We are very conscious of the point made by Mr. Yorath concerning the initial cost of the funds which are provided. These are pitched at a level well below the cost of a straight term loan from one of the traditional sources of industrial finance. Not unnaturally we also look for an additional participation to take account of inflation during the course of the loan. The nature of the formula is tailored to suit each particular case and the requirements of the company concerned.

Bearing in mind that in some cases interest relief grants are available for certain new forms of manufacturing investment from the Department of Trade and Industry, the net cost to an industrialist in making an investment in new plant and equipment can be very low and attractive from his point of view. Our approach to this subject is, by traditional standards, somewhat novel, but I am pleased to see that Mr. Yorath is prepared to accept a more novel basis upon which long term finance can be provided. Hopefully in due course many of his other colleagues in industry might be prepared to do likewise.

H. R. Jenkins.
10, Bouverie Street, E.C.4.

Floating rate stock

From Mr. David Liss

Sir,—The issue of either a floating rate stock or an indexed stock, in the size required to help meet the Government's borrowing requirement for the remainder of 1976-77, would present difficulties which have now been well ventilated.

I write to suggest the issue of, say, £2,000m. of a completely new kind of stock, an External Treasury Bearer Bond.

Ownership would be limited to foreigners or foreign entities who are *actual or potential* external account holders. Interest would be paid gross. The rate of interest would be, say, 1½ per cent. above that ruling for good foreign issues having a life of anywhere between five and ten years (dependent on the life decided), and the redemption price would be indexed to the sterling-dollar rate or the "currency basket" depreciation rate at the time of issue. Its market price should therefore represent the position of sterling fairly accurately during its life.

Such a stock could of its nature do nothing to upset the internal U.K. interest rate structure; the foreign holders would be protected against further sterling weakness and would benefit from very low London dealing costs in the future.

For its part, the Government could take advantage of sterling strength to buy in stock before its redemption date, and would be borrowing on terms hardly more onerous than the minimum of 15 per cent. per annum now being canvassed, perhaps very much more cheaply.

David Liss.
49, Dale Street, London, W.4.

Plenty of water

From Mr. Basil Marriage.

Sir,—I am sure that an overwhelming body of public opinion would strongly support your correspondent Mr. M. Price (August 27), in drawing attention to our inadequate methods of storing and distributing water.

When one proposes a site for a lake or reservoir—considered an amenity by so many—at least five so called "conservationists" immediately oppose. This is known in some circles as the "Five to One Stupidity Factor." Many places have had water shortages for years—I seem to recall that Yeovil is one—and yet it is recently stated in your paper that 90 per cent. of our rainfall is allowed to flow out to sea. Let us be constructive not restrictive.

Basil H. Marriage.
The Limes, Little Berkhamsted, Hertford.

The price of apples

From Mr. Patrick Tompsett.

Sir,—As a spokesman for the *wholesale fruit trade, including* importers, David Shapley has predictably attempted to divert attention from the most vital factor raised in your article "Poor start for U.K. apple growers" (August 19) in his letter to you (August 26).

Can anyone believe that fruit can be grown in the Southern Hemisphere, transported half-way round the world, stored here for up to six months and then sold at 5p per pound? There is a simple word for this process. It is dumping, and international procedures have been established for preventing it.

Consumers of apples are entitled to expect a full choice *of types of apples* all the year round. All those responsible for providing this service are equally entitled to a fair return for their work, including those who meet the demand when fresh or stored local fruit is unavailable. It would be possible for such a system to operate without official interference, but it is obvious that this year has seen a total failure of any discipline on the part of those controlling key elements in the chain. Excesses have occurred in the quantities of imported fruit; lunacies have occurred in the timing of its disposal in our markets.

It is disappointing that our Government have failed to act against people responsible for achieving simultaneously waste of two resources: foreign exchange reserves and good English apples. I look forward to the day when the EEC Commission takes full charge of all these matters, including the formal investigation of dumping cases.

Patrick Tompsett.
Springfield, Marden, Tonbridge, Kent.

Public choice theory

From Mr. D. J. Kidd

Sir,—Samuel Brittan (August 26) shows a nice sense of relevance in citing James Mill as a precursor of the "vote motive" analysts; but by the same token he invites the kind of criticism the utilitarians had to face for their assumptions about human motives. Writing of Bentham, John Stuart Mill remarked "Man is never recognised by him as a being capable of pursuing spiritual perfection as an end; of desiring for its own sake the conformity of his own character to his standard of excellence without hope of good or fear of evil. . . . Even in the more limited form of conscience this great fact in human nature escapes him. . . . There is a studied abstinence from any of the phrases which, in the mouths of others, import the acknowledgement of such a fact. If we find the words "conscience," "principle," "moral rectitude," "moral duty," it is among the synonyms of "love of reputation." This is exactly the tenor of the public choice theory and while it would be absurd to deny the actual facts which give plausibility to the theory, its exclusion of an important part of human nature from consideration must restrict its validity.

For example, Clarendon said of his opponent in the Civil War, John Hampden, that at the beginning of the struggle with King Charles, Hampden's power to do good or harm was greater than any man's in the kingdom *because* "his reputation *of* honesty was universal and his affections seemed so publicly guided that no corrupt or private ends could bias them." This is an extreme instance of what is also a typical tendency in politics. As a matter of fact not fancy, government is at least as much a creature of moral ideas *as it is of advantage, and the* more so the longer the view one takes. The power to coerce, to secure obedience, which is the essence of government whatever its form, appears to gravitate to visible exponents of some set of "higher" ideas and to seep away from those who have become visibly wrapped up only in their own concerns. As David Hume remarked in an often-quoted passage: "Though men be much governed by interest, yet even interest itself, and all human affairs, are entirely governed by opinion." A theory which ignores these things, so far from being realistic, has still to get its bearings.

D. J. Kidd.
41, Whittington Road, London, N.22.

Encouraging entrepreneurs

From Mr. Bernard Schwartz

Sir,—Prompted by the article on The Missing Element in Industrial Strategy (August 16), Mr. Stevens, the manager of Technical Development Capital (August 28), wonders if "our kind of society no longer breeds business creators." May I suggest that Mr. Stevens himself is ideally placed to stimulate the re-generation of such a breed?

The kernel of his task is clearly spelt out in the third paragraph of his own letter which reads: "We find there is no shortage of new product designs or innovations, but that the technologists are seldom commercially minded. Nor do many natural entrepreneurs approach us in partnership with designers of new industrial products or methods."

Why cannot Mr. Stevens make his organisation act as catalyst, bringing together the parties which appear to be complementary? In this way he would ensure worthwhile rewards to those "lively-minded people who are prepared to invest their ingenuity, time and energy in building new technologically based companies."

Such an approach would begin to re-create the "missing element" which is at present deterring industrial growth. In the original article this was defined as entrepreneurial management capable of profitable designs, innovation and marketing.

Bernard Schwartz.
84, King Charles Road, Surbiton, Surrey.

Bath water vegetables

From Mr. A. H. Harrison.

Sir, — Mr. Raynham is inquiring into a means of connecting his bathroom to his vegetables (August 27). My solution to this problem has been to lash the cuff of a rubber glove around the outlet of the bath waste pipe, cut off the end of one finger and insert a hose pipe. Gravity provides the flow, but this may not apply to a bungalow.

A. H. Harrison.
Lurels, 23, Main Road, Portskewett, Newport, Gwent.

'Re-education' in Vietnam

From The Rev. Patrick O'Connor.

Sir,—As you probably know, all Western correspondents were obliged to leave Saigon last May. Even before that, they were restricted in their movements, and in the content of their despatches. Rigid censorship was exercised on every story. A correspondent who reported anything deemed uncomplimentary to the authorities would lose his permit.

The detention of many *thousands—official secrecy* keeps the actual number hidden—in these concentration camps is an enormous hardship inflicted on them and on their families. I have known of the situation from various sources. Twice in the last ten months I have gone to Paris to interview persons who had been expelled, or permitted to depart, from South Vietnam.

I was an accredited foreign correspondent for the Catholic Press in Vietnam in 1952, 1954-1956 and 1961-68, and have maintained contact with Vietnamese and well-informed foreign sources over the years. You and your correspondent deserve credit for publishing the fact about the "re-education camps," *meagre though the available* data may be. There is no doubt about the main fact, and it calls for widespread publicity and, indeed, protest.

Commendably, your correspondent in Bangkok reminds us (August 24) that "there are still at least 200,000 people in the re-education camps" in South Vietnam. In spite of the official blackout of news, it is known that the men held in these camps have to endure hard labour and incessant brain-washing with insufficient food. Beri-beri, malaria and dysentry are prevalent in at least some camps. Some of the captives have died of illness, some by suicide, some from mines that they were sent to clear without mine-detectors.

These former officials and officers were taken away by night to undisclosed destinations in June, 1975. Their families, deprived of their breadwinners, were assured that they would be back soon, some in ten days, some in 30. Now, more than a year later, *the great majority are still* held. Last May the Government announced that they might be held for three years!

"Another Gulag Archipelago has been created," a former resident of South Vietnam declared. The prolonged detention of these men is contrary to the 1948 UN Universal Declaration of Human Rights, the 1949 Geneva Convention on prisoners and victims of war, and the principles embodied in the Paris Agreement of January, 1973. International humanitarian organisations have here a *prima facie* case for gravely concerned inquiry.

Patrick O'Connor.
St. Columban's, Navan, Ireland.

To-day's Events

GENERAL

U.K. official reserves for August.

Prime Minister begins two-day visit to North West England. In Manchester he meets representatives of TUC Regional Council, the CBI, Manchester Chamber of Commerce, and Council leaders.

Full Hospital Junior Staffs Committee of the British Medical Association vote on new contract for hospital junior doctors.

Second day of Financial Times World Aerospace Conference at Hilton Hotel, W.1.

Annual meeting of British Association for the Advancement of Science continues in Lancaster.

Public inquiry into underground railway collision, Glasgow.

United National symposium on use of solar energy continues in Geneva.

International Congress of Genealogical and Heraldic Sciences continues at Imperial College, S.W.7.

OFFICIAL STATISTICS

Capital issues and redemptions (August). Provisional figures of vehicle production and estimates of new car registrations (August-prov.).

COMPANY RESULTS

British Electric Traction (full year). British Petroleum (half year). Crane Fruehauf (half year). Guinness Peat Group (full year). Imperial Chemical Industries (half year). Provident Financial Group (half year).

COMPANY MEETINGS

Allied Colloids, Bradford, 12. Crellon Holdings, Royal Horseguards Hotel, Whitehall, S.W., 12. Lee Cooper, 330, Seven Sisters Road, 11. Meyer (Montague L.), Charing Cross Hotel, W.C., 12. Polymark, 63, Jeddo Road, Shepherds Bush, W., 3. Russell (Alexander), Glasgow, 12. Tex Abrasives, Colchester, 12. Wellman Engineering, 23, Wilton Road, S.W., 12.30. Westforth Electrical, 25, Milk Street, E.C., 12.30. Wrighton International, Brampton Works, Billet Road, E., 12.

SPORT

Cricket: Fenner Trophy Knockout Competition, Scarborough. Golf: British Women's Open Championships, Fulford. Sun Alliance matchplay, Kings Norton. Tennis: Junior Championships, Wimbledon.

COMPANY NEWS + COMMENT

Better than expected £13.6m. from Decca

RESULTS OF Decca for the year ended March 31, 1976, are better than expected with pre-tax profits up from £13.28m. to £13.59m., on turnover of £170m. compared with £154.3m.

First-half profits were down from £5.62m. to £5.44m., and the directors said that because of reduced profits from TV and a reduction in activities by the oil industry in the North Sea, profits for the year would be lower.

Profits before interest were up from £15.65m. to £16.23m. with electronics, navigator, survey, radar, etc., contributing £10.46m. (£8.98m.) and consumer goods—records, tapes, TV, audio, etc., £5.77m. against £6.67m.

As a result of depressed conditions in the home market, the contribution to profits by television was minimal, but increased profits were earned from records and tapes. Capital goods produced 64 per cent. of the pre-interest profit (57 per cent.) with an increase from navigator and radar and a reduction from survey.

Earnings per 25p share are up from 27.9p to 29.5p before special items and from 24.3p to 27p after such items. A net final dividend of 6.83827p makes a total of 9.53827p compared with 8.67116p previously.

Total exports which represented 42 per cent. of the turnover of the U.K. companies (35 per cent.) increased by 21 per cent. from £40.4m. to £49.1m., a record.

The group's net capital investment during the year in new machinery, apparatus for hire, buildings, etc., exceeded £7½m. (£9m.) of which nearly £5m. was covered by the year's depreciation charge.

Sales of consumer products in the current year to date are lower than last year, the directors say. In the capital goods market large contracts for electronic equipment recently obtained and in early prospect should provide a solid base for future growth.

	1975-76 £000	1974-75 £000
Group turnover	170,800	154,300
Consumer goods	81,500	82,900
Capital goods	89,300	71,300
Trading balance*	15,728	13,179
Share associates	502	472
Profit	16,230	13,651
Interest (net)	2,635	2,369
Profit before tax	13,595	13,282
Tax	7,490	7,620
Net profit	6,105	5,662
Minorities	512	368
Special items†	438	481
Attributable	5,155	4,813
Dividends	1,844	1,661
Loss on investments‡	—	1,164
Retained	3,201	1,788
Forward	34,444	29,776

*After depreciation, etc. £4.9m. (£4.20m.). † Represent net loss upon realisation or revaluation of net current liabilities in foreign currencies outstanding at March 31, 1975, £228,000 (£483,000); net cost of factory closures £228,000 (nil) and expenditure on North Sea dry wells £4,000 (£218,000). ‡Loss on Bed and Breakfast sale of quoted trade investments (subsequently repurchased).

Group turnover comprised overseas, including direct exports, £102.9m. (£80.4m.) and U.K. £67.1m. (£73.0m.).

See Lex

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£2m. so far for Metal Closures

REPORTING pre-tax profit up from *£1.89m.* to *£2.08m.* for the first half of 1976, Mr. John Boden, chairman of Metal Closures Group, says there are hopeful signs that this improving trend will continue.

The interim dividend is lifted from 1.4p to 1.5p net per 25p share—the 1975 total was 3.4296p from profits of £3.78m.

The benefits of the rationalisation and relocation programme are now becoming effective, says Mr. Boden. This change has given an opportunity to restructure the U.K. trading activities and management.

	Half year 1976 £000	Half year 1975 £000	Year 1975 £000
Group turnover	20,224	18,784	38,328
Profit before tax	2,084	1,891	3,784
Tax	1,084	987	1,975
Net profit	1,000	904	1,809
Minorities	103	91	143
Attributable	897	813	1,666
Extra-ord. debits	—	—	416
Preference dividend	7	7	14
Ordinary	302	282	888
Retained	588	524	348

● **comment**

A reduction in the labour force last year and other cuts in overheads has enabled Metal Closures to hold its margins above the 10 per cent. level despite recent sharp rises in raw material prices (chiefly aluminium). Pre-tax profits were up 10½ per cent. in the first half and this trend is expected to be at least maintained in the second. However, it is unlikely that any major upswing will be achieved without the help of the spirits sector of the drinks industry—metal tops for soda, gin and other bottles being a major part of MC's business. But after last year's special provision, attributable earnings this year should not be much dented by reorganisation costs. Meanwhile the company, backed by strong liquidity, is seeking gradual expansion through new products. The shares at 81p give a maximum yield of 9½ per cent. covered over two-and-a-quarter times on maintained earnings growth in the second half. The prospective p/e is 6.9.

BSC has nearly 10% of Bridon

British Steel Corporation (U.K.) now holds just under 10 per cent. of the capital of Bridon, formerly British Ropes, following the conversion of its £5 3½ per cent. unsecured loan stock 1977 into £4.3m. shares in Bridon.

British Steel says it intends to retain these shares which will be held as an investment.

The loan stock was issued to British Steel some years ago as *part consideration for Bridon's* acquisition of its wire interests.

The shares will rank only for one-third of any dividend or distribution payable on one Ordinary share for the year 1976.

Sena accounts qualified

The 1975 accounts of Sena Sugar Estates have been qualified by auditors, Peat Marwick Mitchell. The auditors say the accounts have been prepared on a going concern basis and on the *assumption in particular that:*

The Company will satisfactorily concludes its negotiations with the Moçambique authorities to allow remittances to be made to London sufficient to meet the Company's London expenses and Debenture Trust Deed obligations; that permission previously granted for the remittance of funds from Moçambique sufficient to meet the Company's substan*tial liabilities* in currencies other than Moçambique Escudos, will continue to be honoured; and that the Company is able to satisfactorily conclude its discussions with the Trustees of the 8½ per cent. Second Debenture Stock in connection with the breach of the Trust Deed arising on the pledging in Moçambique of certain assets already secured under the Trust Deed.

Brit. Vita midway expansion

HELPED BY substantial growth overseas, pre-tax profit of British Vita Company, the plastics and rubber group, improved from £625,000 to £1,564,000 in the first half of 1976.

Turnover expanded from £15.85m. to £17.17m. In the U.K., sales rose from £13.15m. to £14.25m. while overseas the increase was from £2.7m. to £2.93m.

Earnings per 25p share were lifted from 4.4p to 11.0p, and the net interim dividend is raised from 1.7p to 1.87p. Last year's total was 3.48p, paid from a record pre-tax profit of £2.31m.

The chairman, Mr. Norman Grimshaw, says the half-year results show a steady improvement within the U.K. Profitability was affected by severe raw material cost increases, mainly due to currency devaluation coupled with reduced level of market activity.

Further substantial growth was achieved overseas and operations continue to be expanded both organically and geographically as opportunities occur.

	Half year 1976 £000	*Half year* 1975 £000
U.K. sales	14,249	13,143
Overseas	2,925	2,705
Total external sales	17,174	15,848
U.K. profit	12	*318
Overseas	338	462
Total trading profit	350	144
Share U.K. assoc.	23	24
Overseas assoc.	1,410	692
Interest charges	219	235
Profit before tax	1,564	625
Taxation	913	325
Extraord. debits	123	29
Net balance	528	271
Interim dividend	127	118

* Loss.

● **comment**

Loss elimination in the U.K. and a sharp increase in overseas profits has lifted British Vita's first-half pre-tax level by 150 per cent. In the U.K. the £330,000 turnround is mainly due to better profits from industrial rubbers, mouldings and compounds, while components for furniture and bedding gained market share though profits did not benefit. Overseas nearly every market turned in better results, while the real star performer was Nigeria. For the rest of the year British Vita expects to maintain this trading picture, which obviously indicates a substantially better result. Even a maintained *second half* (though the group was still making hefty U.K. losses in the closing half of last year) points to £3½m. pre-tax. However, the shares remained unmoved on the figures at 95p where the maximum prospective yield is just 8.3 per cent.

Heavier first half loss by W. L. Pawson

The pre-tax loss of women's clothing manufacturer W. L. Pawson and Son for the six months to June 19, 1976 jumped from £5,979 to £30,794, after depreciation of £10,565 (£9,824).

The company has not paid an interim dividend since 1973, and none is announced for this period.

Turnover for the half-year was slightly up, at £838,239 (£777,299).

For the year to December 19, 1975, the company paid a single dividend of 0.4p net per 5p share after a pre-tax profit of £50,297.

AAH strong financial position

IT IS TOO early to forecast the outcome of A.A.H. for the current year but the chairman, Mr. W. M. Pybus, says he has no doubt about the strength of the group in management and finance, and he is confident of its ability to perform well in the current year and in the future.

Net liquid assets at end March increased by £0.73m. (decrease £2.1m.).

The acquisition of Chemists Holdings (London) represented a major step in the policy of developing a broadly based distribution and service group. It is intended to continue this policy by internal growth and by acquisition.

Mr. Pybus says the company has gone a long way in making *itself* less dependent on solid fuel distribution for its profits, although he *remains* confident that solid fuel will continue to make a significant contribution in future years.

As known group pre-tax profit for the year to March 31, 1976 increased from £4.15m. to £4.78m., on a turnover of £185.94m. (£175.93m.).

Meeting Quaglino's, Bury Street, S.W., on September 24 at noon.

£0.94m. by W. of E. Trust

FOLLOWING the rise from £213,700 to £349,400 at halfway, pre-tax profits of the West of England Trust increased from £516,244 to £938,146 in the year ended June 30, 1976.

In their interim report, the directors said that they were confident that results for the year would be substantially higher than those of 1974-75.

Earnings per 25p share are up from 1.83p to 3.55p and the net final dividend is 0.6881p, making a maximum permitted total of 1.2381p compared with 1.1387p *previously.*

	1975-76 £	1974-75 £
Operating profit	642,315	461,818
Assoc. profits	694,184	283,429
Interest	241,749	178,070
Expenses	88,351	30,639
Pre-tax profit	938,146	516,244
Tax	421,322	281,373
Extra-ord. credit	123,981	*1,810
Attrib. Ord.	631,246	235,403

*Debit.

No sign of upturn at Wm. Cook

In the annual report or steel castings manufacturers William Cook and Sons (Sheffield), the chairman Mr. A. McT. Cook, says that there are "still no clear indications of a real return to better trading conditions."

A revaluation of the company's leasehold land and buildings on the existing use basis at July 13, 1976, produced figures of £625,000, an excess of £263,404 over the net book amount.

As known, the company increased its pre-tax profit from £136,273 to £236,078 in the year to March 31, but this was achieved on a restricted output. A one for four scrip issue is proposed.

At August 6, the I.T.C. Pension Trust and I.T.C. Pension Investments jointly held 12.85 per cent. of the shares in the company, Miss A. A. Cook 10.02 per cent., and Mr. A. J. Cook 12.56 per cent.

Freddie Mansfield

Sir Edward Lewis, chairman of Decca.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Albright and Wilson	int.	1.84	Oct. 22	1.68	—	3.75
British Vita	int.	1.87	—	1.7	—	3.48
Decca		6.84	Jan. 4	6.57	9.54	8.67
Alexander Howden	int.	1.25(a)	Dec. 23	1.0	—	2.47
Matthews Wrightson	int.	2.62	Nov. 12	2.88	—	8.04
Metal Closures	int.	1.5	Nov. 5	1.4	—	3.43
Petaling Tin	int.	12.5(b)	Sept. 29	Nil	12.5	Nil
Tavener Rutledge	int.	2.6	Oct. 4	1.63	—(c)	4.02
West of England Trust		0.69	Nov. 5	0.64	1.24	1.14

Dividends shown pence per share net except where otherwise stated.

*Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. (a) To reduce disparity *—maximum permitted total intended.* (b) *Malaysian cents.* (c) 5.2p forecast.

Mid-term 47% jump at Tavener

For the fifth consecutive year Tavener Rutledge, the Liverpool sweet manufacturers, continued its accelerated profit growth with a 47 per cent. rise for the first half of 1976. The figure was £222,278 pre-tax compared with £151,097 for the same period last year. Sales rose 30 per cent. from £2.25m. to £2.94m.

The greater share of the increase in sales and profits came from exports, according to the mid-year report of chairman, Mr. A. Hyde. He states that the many years spent in building the company's franchise in markets abroad have put it in a unique position for a confectionery company of its size for future growth.

The first half results indicate that the company's stated annual growth goal of 20 per cent. will be considerably exceeded, he points out.

The interim dividend is lifted from 1.625p to 2.6p net. It is the director's intention to recommend a like amount as a final dividend making a total of 5.2p. Last year's total was 4.02p.

Progress at K.O. Boardman

Sales for the current year to date are approximately 12 per cent. lower than for the corresponding period last year, but margins have improved, writes Mr. K. O. Boardman, chairman of K. O. Boardman International, in the group's annual report.

He says that while trading conditions are far from easy, he expects a satisfactory result for the first half of the current year. The group made a pre-tax profit for the year to March 31, 1976, of £1,105,253, up from £1,075,980 (reported July 30).

Sales were down from £23.7m. to £21.9m., mainly due to the group's inability to replace the business formerly conducted by the Portuguese factory and the "extremely poor" trading conditions existing in the U.K. clothing manufacturing industry.

Those companies of the group which manufactured garments in the U.K. all had a poor year and made losses, the chairman says. KO Fashions made a severe loss and has been cut back in size "in order to obtain a more satisfactory result this year."

The group's acquisition of BPT Leisure International and Sydney Howarth "will substantially *strengthen the group and increase* its profitability."

The group's activities are in textiles, footwear and printing.

Meeting, Manchester, September 22 at noon.

ISSUE NEWS AND COMMENT

Eastbourne £2¾m. 7-year Pref. stock

Brokers Seymour Pierce have completed arrangements for an offer for sale by tender of £2¾m. of 9 per cent. Redeemable Preference Stock 1983 in Eastbourne Waterworks at a minimum price of £98¼ per cent.

A deposit of £10 is payable with tenders to be received not *later than* Thursday, September 9, with the balance payable on or before October 14. Tenders must be for a minimum of £100 of stock and multiples thereof.

Interest on the stock will be payable half-yearly on October 1 and April 1. The first dividend amounting to £4.2288 per cent. will be payable on April 1, 1977.

● **comment**

The offer from Eastbourne Waterworks departs from the water issue norm of late, in that the stock runs for seven years rather than five. Five-year stocks became popular with the discount market, but this issue is obviously a response to demand from institutions for a longer-term higher coupon stock. At the minimum tender price the running and redemption yields are 14.06 per cent. and 14.19 per cent. respectively, *which looks attractive enough,* and the issue should meet a successful response. Tenders in the area of a half point premium at £99 per cent. look in order where the yields are 13.99 per cent. running and 14.08 per cent. to redemption.

Chieftain Trust formed

A new authorised unit trust *group, called Chieftain Trust* Management, has been formed by former employees of Jessel Britannia, the unit trust subsidiary of Jessel Securities which is now in liquidation. Chairman of the new company is Mr. Peter Potts. The investment director is Mr. Ian Hazeel and the marketing director Mr. Dick Eats.

After the Jessel Group was sold to Slater Walker Trust Management in 1974, Mr. Potts joined Gartmore Fund Managers where he built up the funds of that group to £16m. in 18 months.

Chieftain is launching its first fund, Chieftain High Income, this week-end, which will have a starting yield of 13 per cent. Investors of £250 and above will be invited to subscribe. The trustee is Midland Bank.

WHEELER'S RESTAURANTS

Wheeler's Restaurants plans to make a two-for-11 scrip issue.

Carroll turns in £5.38m.

External sales of cigarette and tobacco manufacturers, P. J. Carroll and Co. increased from £77.58m. to £93.66m. and pre-tax profit was up from £3.73m. to £5.38m. for the year ended June 30, 1976. At halfway the figure was £2.84m., compared with £1.99m.

The directors say that although the tax increases imposed in the January 1976 budget were generally thought to be less severe than might have been expected, the effects on domestic sales volume were in fact severe in the months following. There has been a recovery in recent months "but it must be now evident that heavy increases in tobacco taxes are as damaging to Revenue as they are to the industry."

They anticipate further significant increases in the costs of imported raw materials, accentuated by more disadvantageous exchange rates. Contract export sales which were at low levels during the early months increased substantially and are currently at high levels.

During 1975/6 the provision for replacement of stock consumed is calculated for the group as a whole. In the corresponding period the provision relates only to tobacco leaf.

To bring all divisions into line, the accounting period is being extended by three months.

The second interim dividend is 28 per cent. gross. A first interim of 14 per cent. has already been paid and, as known, the directors expect to propose a final of 10.5 per cent. in February for the 15-month period. The 1974-75 total was 35 per cent.

Good start by Longton Transport

Since March there has been a continued improvement in business at Longton Transport (Holdings) and chairman Mr. E. G. Dale expects encouraging results for the year.

For the year ended March 31, 1976, pre-tax profit, as reported, increased from £0.73m. to £0.76m., on turnover of £18.87m., against £15.7m.

In the transport storage and distribution division, the present year has made a "bright start" and indications are that trading conditions are improving.

The improvement in steel stockholding, processing and engineering supplies has continued and the outlook is promising, he states.

And in the vehicle, plant distribution and crane hire division, prospects for increased business are also promising, he adds.

At August 1, 1976, Industrial and Commercial Finance Corporation held 13.5 per cent. of the Ordinary share capital.

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Albright foresees £29.7m. after first half leap

REPORTING pre-tax profits up from £9.09m. to £14.37m. for the six months to June 30, 1976, the directors of Albright and Wilson, the chemicals group, indicate that the 12-month total will increase from £18.54m. to around £29.7m.

First-half sales increased by 20 per cent. from £113.16m. to £135.65m. Earnings per 25p-share have risen from 4.3p to 6.8p basic and from 4.2p to 6.7p fully diluted. The interim dividend is raised from 1.675p to 1.84p net. Last year's total was 3.75375p.

In the annual report in May, the directors forecast that 1976 might well be another difficult year, the indications being for a small improvement over 1975 results.

Now, they say there are signs that the rising trend of sales in the first half is levelling off.

Nevertheless, they expect that the present level of activity will *continue and that profit for the* second six months will not differ substantially from the profit now reported for the first, they add.

Profit in the first half was favourably affected by an increase in the volume of products sold and to a lesser extent by some improvement in selling prices, which helped to offset a rise in fixed costs and depreciation charges.

The declining value of the pound also benefited exports and overseas earnings.

In the U.K., demand for phosphorus and detergent chemicals improved. Sales of organic chemicals recovered to a better level after a poor second half in 1975.

Flavours, fragrances and perfumery chemicals produced much better earnings, but the agricultural business continued to be very weak, with demand and prices both depressed.

In continental Europe, the detergent chemicals businesses returned profits similar to those for 1975. In Australia, sales and profits of both the group's companies improved compared with the low levels achieved in the previous year.

In Canada, the pulp and paper chemicals business began to recover from last year's strikes in customers' plants, and further substantial extensions to sodium chlorate capacity were authorised. *The industrial chemicals business* reported lower profits on similar sales. The Long Harbour, Newfoundland, phosphorus plant, though still with only one furnace in operation, maintained the much improved performance earlier reported, the directors state.

The company's financial position remained strong. Working capital increased by £5.3m. as a result of higher sales. Capital spending for 1976 was planned to increase substantially from last year's, but owing to delays in some major projects, spending so far this year is no higher than for the comparable period in 1975.

See Lex

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims:— British Petroleum, Canadian Imperial Bank of Commerce, Crane Fruehauf, Hellenic and General Trust, Imperial Chemical Industries, Kleeman Industrial, Lyon and Lyon, Mixconcrete, Morris and Blakey Wallpapers, Provident Financial, Spong, Tavener Rutledge.

Finals:— Atlantic Assets, British Electric Traction, Robert M. Douglas, Esperanza Trade and Transport, Grippeirods, Guinness Peat, Lunuva (Ceylon) Tea and Rubber, Midland Educational, Scottish Homes Investment, Stoddard, Westminster and Country Properties.

FUTURE DATES

Interims:—

British Mohair Spinners	Sept. 14
Cohen Bros. Electrical	Sept. 14
Garnar Scotblair	Sept. 7
Lead Industries	Sept. 16
Reyrolle Parsons	Sept. 14
Royal Dutch Petroleum	Sept. 16
"Shell" Transport and Trading	Sept. 16
Williams & James (Engineering)	Sept. 13

Finals:—

Diploma Investments	Sept. 7
Felixstowe Dock and Railway	Sept. 9
Halstead (James)	Sept. 16
Lothian Investment Trust	Sept. 7
Romal Tea	Sept. 8
Stewart Plastics	Sept. 6

Upsurge to peak £0.8m. at Pitman

ON TURNOVER ahead from £15.07m. to £18.6m., Pitman reports an upsurge in pre-tax profits from £336,000 to a record £841,000, for the year to March 31, 1976.

After tax of £506,000 (£108,000) the net balance emerges at £335,000 (£228,000) subject to an extraordinary debit of £65,000. The attributable balance advanced from £162,000 to £317,000.

The dividend on the privately held Deferred absorbs £110,000 (£100,000).

The company, which has "close" status, operates as publishers, printers and proprietors of colleges.

A. Howden up £1.79m. at halfway

FIRST HALF 1976 pre-tax profit of international insurance brokers and shipping agents, Alexander Howden Group, increased from £6.29m. to £8.08m.

The interim dividend is stepped up from 1p to 1.25p net per 10p share in order to reduce disparity. It is intended to pay a maximum permitted final. For the year 1976 a total of 2.466p was paid from profits of £13.77m.

	Six months 1976 £000	1975 £000	Year 1975 £000
Trading profit	8,722	6,656	14,517
Depreciation	250	228	452
Interest charge	411	159	356
Share associates	23	25	67
Profit before tax	8,084	6,294	13,772
Taxation	4,229	3,073	5,862
Minority interest	9	25	35
Net profit	3,846	3,196	7,875
Dividends	736	464	1,321
Additional tax	—	—	297

The results of the Halford Shead and Morice Tozer and Beck Companies have been included in the half year figures and in the comparative figures on the same basis of accounting as that used by Alexander Howden Group. In the case of Halford Shead an adjustment has also been made to the 1975 profits to include 100 per cent. of the Hart Agency, it is stated.

See Lex

Halftime rise likely at H. Ingram

The first half results at Harold Ingram, knitted garment manufacturers, should show an *improving* situation, Mr. H. Ingram, chairman, states in his annual review.

Yarn stocks are good, deliveries are coming in regularly and production is continuing uninterrupted, he adds. The present order books are the best seen for some years.

The chairman reveals that included in new investment already authorised — totalling £274,500—is a unit to manufacture T-shirts costing around £66,000.

As known, pre-tax profit for the year to April 30, 1976, dropped slightly from £0.46m. to £0.45m.—there was a shortage of yarns, resulting in the inability to meet delivery dates and a "substantial loss of sales."

Adjusted for inflation, the pre-tax figure was down to £0.3m.

Meeting, 21, Newman Street, W, September 14, 11.30 a.m.

Gen. Funds Investment revenue up

Net revenue at General Funds Investment Trust was £132,036 for the six months to July 15, 1976, compared with £115,846 in the half year period to January 1, 1976, and assets per 25p share are shown to be 170.21p (173.23p).

An interim dividend of 1.05p net (same) has already been announced.

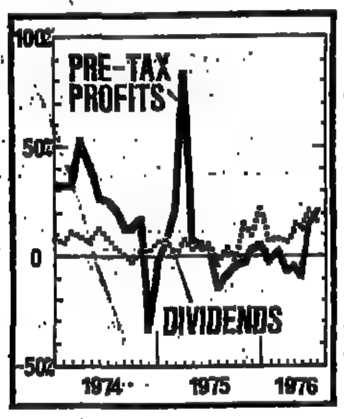
In the year 1975-76 net revenue was £194,838 and dividends totalled 3.55p.

The market value of assets amounted to £14.08m. at July 15, 1976, against £14.16m. at January 15, 1976, including, where applicable, the full investment currency premium of £1.3m. (£1.41m.) and the premium of £147,370 (£151,451) on currency loan portfolio surplus of £333,040 (£281,175).

Liabilities to surrender of 25 per cent. *of the investment* currency premium and tax on chargeable gains if the investments were realised at valuation would be 14.31p per share (15.76p).

August profits up by 21%

Pre-tax profits of the 137 industrial companies that published full accounts and reports last month were up by 21 per cent. compared with those recorded in August, 1975. This was comfortably ahead of July's advance of 15.4 per cent., the last two months contrasting sharply with June's 10.8 per cent. shortfall.



Dividends declared were 15.3 per cent. higher than those of a year ago, again well above the Government's restraint limit of 10 per cent. owing to the fact that a company may exceed the limit if its raises fresh capital or is recovering from a depressed level. The rise of 15.3 per cent. is less than July's advance of 20.2 per cent., but compares favourably with the aggregate gain over the first six months of the year of 11.2 per cent.

Individual companies showing above-average advances in pre-tax profits included Rothmans International at 88.7 per cent., Cavenham, up 28 per cent., Distillers, a rise of 24.1 per cent., GEC, up 19.1 per cent., and Redland, an advance of 40.7 per cent.; the last-named also lifted the dividend by 18.8 per cent. owing to a "rights" issue made in 1975.

INVESTMENT CO.

The auditors of the Investment Company are unable to give an opinion as to whether figures relating to two subsidiaries give a true and fair view since they are unaudited. In last Saturday's report the qualification was incorrectly attributed to the creditors.

The qualification stated that the after-tax profits of the two subsidiaries amounted to £12,221, which compares with after-tax profits of over £182,000 for the whole group.

RECENT ISSUES

EQUITIES

Issue Price p***	Amount Paid Up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price p***	+ or −	Div. Amount	Times Covered	Gross Yield	P/E Ratio
–	F.P.	–	£27¼	£21¾	Berry Pacific Fd. US$1	£27	...	40c	-	0.8	
80p	F.P.	17/9	70	66	Borthwick (Thos.) 50p	68	...	3.5	2.0	12.4	6.1
–	F.P.	–	£27⅝	£26⅞	Dentsply Int. Inc. ($1)	£26⅞	−⅛	—			
–	F.P.	–	£51¼	£25¼	Kamark S1 $1	£26⅛	−⅛	Q$1.52	-	3.2	-
235	F.P.	15/9	235	178	Hambro Life Assur.	192	+2	18.75	–	11.0	
–	F.P.	20/8	62	57	Leech (Wm.) Builders	57	.....	d5	2.1	13.5	5.5
120	F.P.	23/9	111	102	Molins	102	.....	6.5	2.4	9.6	6.7
US$2.08	F.P.	-	$2.40	$2	Renown Inc. Y50	$2.40	.....	Q15%	-	0.8	
::	F.P.	-	112	96	Tolux S.A. 11	113	.....				

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price	+ or −
£100	F.P.	—	100	100	Agricultural Mortgage 15% Bond 1978	100	......
£10	–	–	10	9⅞	G.T. Asia (Sterling) Fd. Prt. Red. Prf. (1p)	10	......
£99½	£10	17/12	9⅞	8¾	Islington 13¼% Red. Stock 1982	9¼p	......
**98	F.P.	3/9	97½	97	Mid Kent Water 8% Red. Prf. 1981	97½	......
US$100¼	-		$105½	$100⅞	New Brunswick (Province of) 8¾%	$101	−¼
††£100	£10	1/10	10	9	Portsmouth Water 8% Red. Prf. Stk. 1981	9	......
C$100	Nil	12/11	99⅜	99	Royal Tst. Mort. 8¾% Red. 1987	99	−⅛
US$100	F.P.	—	$100½	$100¼	Saskatchewan (Prov. of) 8¾% Bds. 1986	$100¼	−¼

"RIGHTS" OFFERS

Issue Price p***	Amount Paid up	Latest Renunc. Dates †	Latest Renunc. Dates ‡	1976 High	1976 Low	Stock	Closing Price p***	+ or −
13	Nil	8/9	6/10	2¼	1⅛	Astra Secs.	1¼pm	......
SA6.50	Nil	5/11	—	190	185	Bank N.S. Wales	185pm	−5
54	F.P.	15/8	10/9	67	60	Braby Leslie	61	......
20p	Nil	10/9	8/10	2¾	½	Charterhall Finance	½pm	−1
15	F.P.	10/8	17/9	18¼	15½	Ewer (George)	16	......
118p	F.P.	26/8	24/9	150	134	Hogg Robinson	135	+1
25	F.P.	13/8	10/9	34½	30½	Kwik Fit (Tyres + Ex.)	30pm	......
40p	Nil	10/9	8/10	12¼	7	Lovell (Y. J.)	7pm	......
183	F.P.	19/8	24/9	217	198	National Westminster	212	−2
22½	F.P.	26/7	8/9	27¾	24½	Readicut Int'l	24½	......
200	F.P.	19/8	1/10	231	219	Reed Intl.	222	−1
178	F.P.	6/8	3/9	208	198	Rowntree Mackintosh	201	−3
24p	Nil	2/8	8/10	28	23	Second City Prop.	25	......
20	F.P.	10/8	2/9	33½	28	Vernon Fashions	28	......
SA1.20	F.P.	18/6	—	141	84	Western Mining	120	−2
75	F.P.	17/8	1/10	97	88	Whitecroft Ind.	93	......
70c	P.P.			84	47	Woodside-Burmah	76	......

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p*** Pence unless otherwise indicated. u Forecast dividend: cover based on previous year's earnings. M Figures based on prospectus or other official estimate for 1978. τ Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ❊ Offered to holders of Ordinary shares as a "rights." ♥ 290 S.Afr. cents. ‡ Rights by way of capitalisation. †† Tender allotment price. ◆ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ♠ Issued to former Preference holders. ‡ Allotment letters (or fully-paid). † Provisional or partly-paid allotment letters. ≠ With warrants. ♦ After suspension.

Matthews Wrightson up £1.6m. at halftime

INSURANCE, shipping and air brokers, Matthews Wrightson Holdings, reports first half 1976 turnover up from £18.24m. to £22.84m., and an expansion in pre-tax profits from £1.81m. to £3.38m.

The figures are most encouraging although it must not be assumed that this rate of improvement will be shown in the year's results, says the chairman, Mr. J. B. Eldridge. Turnover for 1975 was £40.25m. and profit £6.07m.

The improvement in first half profit was largely contributed by the insurance broking companies but the Lloyd's underwriting agency, shipbroking and rural land activities also produced better results.

Insurance broking profits increased by 91 per cent. after absorbing the exceptional expenses arising from the move of Stewart Wrightson's City offices to Camomile Street. Approximately two-thirds of this improvement was due to the appreciation of the dollar and other currencies against sterling.

The shipping market continues to be difficult but it is beginning to benefit from the increasing industrial activity world-wide. This has helped to produce improved results from shipbroking but ship operating activities continued to be unprofitable, says Mr. Eldridge.

The interim dividend is lifted from 2.6205p to 2.8826p net per 20p share. Last year's total was 8.0438p.

	Six months 1976 £000	Six months 1975 £000	Year 1975 £000
Turnover	22,836	18,240	40,247
Profit	3,658	1,851	6,128
Sh. assocs. losses	237	37	66
Profit before tax	3,381	1,814	6,072
U.K. tax	1,035	677	1,928
Overseas	724	251	939
Net profit	1,622	886	3,193
Extraord. credits	—	94	*120
Outside holders	290	123	251
Attributable	1,332	857	2,822

* Debits.

Exchange rates at June 30 and December 31 have been adopted for the six months' and year's results, respectively. For U.S. $ the rates were as follows: June 30, 1975, £=$2.19; December 31, 1975, £=$2.02; June 30, 1976, £=$1.78.

With the object of eliminating minority interests in the American Insurance broking subsidiary of Stewart Wrightson Group, it is proposed to purchase the 10 per cent. interest in Stewart Smith Haldinger Inc. (90 per cent. owned by Matthews Wrightson) for $329,479. This is payable in six equal annual instalments commencing January 2, 1978, subject to adjustment depending on the profit performance of Haldinger, it is stated.

See Lex

Philippines expansion for Tootal

Tootal is to spend £1½m. doubling its polyester spinning and twisting operations at Allied Thread in Manila, a wholly-owned subsidiary of Tootal, to cater for increased demand in the local home market and growing export potential to neighbouring countries.

This expansion is the second part of an investment programme. The first was carried out two years ago when £0.75m. was spent on equipping a new synthetic spinning and thread finishing plant.

Phoenix Timber to improve

Results of Phoenix Timber Company for the current year are expected to show an improvement over those of 1975-76, says the chairman, Mr. A. B. Gourwitch in his annual report.

As known, the first three months to June, 1976, have produced exceptionally good results and it it expected that profits for the first six months will exceed those earned for the whole of last year.

In the year ended March 31, 1976, profits before tax increased from £261,000 to £440,000. External sales were steady at £30.88m. However, the chairman says that a profit amounting to 1½ per cent. of turnover is not satisfactory.

During the first six months of 1976 the group experienced a strong demand for softwood, due in part to a general restocking process has result in softwood stock being currently on the low side. The group will be in an advantageous buying position should there be any weakening in suppliers' prices later this year, the chairman. The corollary to decreasing stock levels has been a considerable reduction in indebtedness and consequently a reduction of some £340,000 in interest and other financial charges, Mr. Gourvitch adds.

Meeting, Rainham, Essex, September 23 at noon.

Clondalkin Paper Mills downturn

On sales up from £11.04m. to £13.14m., first-half 1976 pre-tax profit of Clondalkin Paper Mills contracted from £269,281 to £134,838. The figure for the year 1975 was £1,201,358.

Demand in the six months was well below capacity, costs of materials and services increased and, due to the weak market situation, such costs could not in the main be adequately reflected in selling prices, says the chairman, Mr. E. J. P. O'Brien.

Apart from reduced demand, the depreciation of sterling in conjunction with a remarkable firmness in pulp prices (in Kroner or Dollars) and the continuing escalation in energy costs were extremely difficult to combat as integrated producers of paper did not adjust their prices of paper or paperboard commensurately with pulp prices in terms of Sterling, he explains.

However, the commissioning of the wastepaper recycling plant and a vastly improved operation of the Thermo Refining Pulp Plant did, during the second quarter, ameliorate fibre costs and the sale of market refiner pulp at full list price reversed the alarming trend which developed during the first quarter. Additionally, all the converting plants operated at better loading. Although the pulping plant is not yet operating at full capacity, the quality of pulp produced has already met the company's expectations and the requirements of customers.

On the assumption that no further burdens in costs are imposed or incurred and that the present level of demand continues, the outcome for the year should be reasonably acceptable, the chairman adds.

The interim dividend is 0.8375p net per 25p share. For the previous year an interim of 1.25p gross was followed by a final of 3.23p gross.

	First half 1976 £	First half 1975 £
External sales	13,140,104	11,035,639
Profit before tax	134,838	269,281
Taxation	128,939	151,308
Applicable minorities	68,349	12,233
Deficit	62,350	*105,340
Extraordinary debits	—	83,250
Loss attributable	62,350	*22,090

* Profit.

Laurence Scott policy

Laurence Scott is now able to return to its programme of investment which has been interrupted by inflation on the group's cash flow over the past three years, Mr. P. M. Tapscott, chairman, states.

He reminds holders in his annual statement that as long ago as 1972 the complete redesign of the mechanical construction of the motor range was started and outline plans were made for the associated heavy investment in plant and machinery.

The investment in machine tools will be of the order of £2m. for which an Interest Relief Grant is being received. In addition, over the next two years, further investments in foundry plant are being made at a cost of about £300,000, and plans are well advanced to modernise and enlarge sheet metal manufacturing facilities.

Mr. Tapscott is confident that the company will continue to meet the needs of existing customers and "sharpen" its selling capability abroad. Referring to the company's financial needs over the next two or three years, he says that a substantial part can be financed by retained profits and the balance by a medium-term loan now in course of negotiation.

As already reported, pre-tax profits for the 15 months to March 31, 1976 was £1.72m., compared with £52,00 in the previous 12 months.

Mr. Tapscott reports that negotiations are well advanced to acquire for about £450,000 the share capital of MTE Systems, a subsidiary of MTE which is wholly owned by Ransome Hoffmann Pollard. The net assets are of the order of £450,000, and the unaudited profit before group charges and tax for the year to May 31, 1976 was about £200,000. This level of profit is "unlikely to be maintained" in the current financial year, he adds.

Meeting, Great Eastern Hotel, E.C., Sept. 21, noon.

Regalian Properties £4.3m. loss

FOR THE 15 months to March 31, 1976, Regalian Properties incurred a pre-tax loss of £4.33m. compared with £1.95m. for the previous year. Turnover was £2.21m. against £1.88mb.

The deficit is struck after interest received of £44,916 (£518,925), interest paid of £844,318 (£578,850), interest payable on deferred purchase consideration of £3.87m. (£2.6m.) and a provision of £358,103 (nil) against interest credited in prior years.

Tax took £509,422 (£139,302). The loss per 25p share, before extraordinary debits of £349,356 (nil), was 108.69p (46.93p). Again there is no dividend.

The directors state that in March the company made a profit of £16,531 and earnings per share were 0.37p. While these figures are not intended as an indication as to the year's trading, it can be seen that the company, as opposed to the group, has now entered into an era of profitability, albeit on a moderate scale.

See Lex

Olives Paper upgrades forecast

Despite a trading loss of £64,891 for the half year ended June 26, 1976 (reported August 23), the directors of Olives Paper Mill are now confidently expecting to exceed their forecast of breaking even over the full year, provided that the rate of recovery in the industry is maintained.

The company has arranged "adequate financial support" from its bankers (the interim balance sheet shows an overdraft of £239,040), and still hopes to pay a dividend by April 5, 1977, as promised. Consideration of the dividend was recently deferred to the end of the year.

Carlton Inds. off to good start

At the annual meeting of Carlton Industries, chairman Mr. Leon Roydon said that the current year had started well for the three major divisions with the battery division, Haddon-Oldham, again the main contributor with a material increase in profits.

Group profits for the first quarter of the year were ahead both of budget and of the same period last year and this trend was expected to be reflected in results for the full year.

HALLAM SLEIGH

In their interim report the directors of general engineers, Hallam Sleigh and Cheston estimate a similar year-end profit to the previous year. For the 12 months to September 30, 1975, the pre-tax figure was £36,778.

And they view the next financial year "with guarded optimism."

As known there is again no interim dividend.

INTERNATIONAL COMPANY NEWS + EURO MARKETS

Swiss Paribas offer

BANQUE de Paris et des Pays Bas (Suisse) said it will offer 20 per cent. of its Frs.136m. share capital to the public between September 6 and 13, Reuter reports from Geneva.

A spokesman said the Frs.100 nominal bearer shares will be offered at a price of Frs.260. The bank first intends to arrange a quotation on the Geneva bourse, followed later by listings on the Zurich and Basle bourses, but a schedule for this has not yet been fixed, he added.

The bank has a balance sheet total of around Frs.1.4bn.

Denison buys Aegean oil lease from Oceanic

DENISON Mines of Toronto, one of the world's leading uranium producers which also has interests in oil and gas production in Alberta and exploration activities in the U.S., the British sector of the North Sea and in the Mediterranean, has purchased a 68.75 per cent. interest in an oil and gas license in the Aegean sea from Oceanic Exploration of Denver, Colorado, James Scott writes from Toronto.

The purchase price includes a $15m. cash payment, a $10m. loan to Oceanic and a $10m. oil payment to be made from first production from the Greek licence. Oceanic will also receive 15 per cent. of the profit of all future production from the licence area.

Denison said the Greek Government has approved the purchase, which covers 420,000 offshore acres and includes the Prinos oilfield discovered two years ago.

Also included in the deal is the assignment by Oceanic to Denison of interests in two oil and gas exploration licences in Cameroon, West Africa, covering 1.8m. offshore acres and 1.6m. onshore acres, as well as interests in licences in Nigeria and in the British North Sea.

Denison and the other partners in the Greek licence will be required to drill five exploratory wells on structures near the Prinos Field during the next three years at a cost of about $20m. The other partners are Hellenic Oil, a unit of Fluor Corporation of the U.S., Wintershall AG, a unit of BASF of West Germany and White Shield Green Oil Corporation.

Banca Agricoltura funding plans

BANCA NAZIONALE dell Agricoltura said it plans to raise its capital to L.24bn. from L16bn. through a one for four free share issue and a one for four rights issue at the nominal value of its shares of L500 each, Reuter reports from Rome.

The operation will be carried out between October 1 and November 15.

Toyota stake

TOYOTA Motor plans to acquire a stake in Sumitomo Aluminium smelting company when Sumitomo doubles its capital to Y8bn. in December, a Toyota spokesman said, according to Reuters.

The spokesman said Toyota intends to accept a request from Sumitomo to subscribe to part of the new share issue, because it wants to ensure steady supplies of aluminium at stable prices.

Bayer trounces rivals in 'Big Three' stakes

BY GUY HAWTIN

FRANKFURT, Sept. 1.

BAYER has trounced its two rival giants, Hoechst and BASF, both in sales and profits growth during the first half of the year. But the figures of all three make interesting and educative reading for anybody who doubted the strength and flexibility of the "Big Three" of the West German chemical industry.

Hoechst's figures were hardly unsatisfactory. Group turnover, at DM11.69bn. (£2.61bn.) were 18.2 per cent. up on the first half of 1975, while profits before tax advanced by 46.7 per cent. to DM675m. (£150.5m.). BASF, however, did rather better with a 19.6 per cent. increase in group sales, bringing them to DM10.33bn. (£2.3bn.) and pre-tax profits which increased by 69.6 per cent. to DM709m. (£158.1m.).

But although BASF still leads in the profitability stakes, it has not equalled the strength of Bayer's recovery. Bayer, which now produces more abroad than it does in Germany, pushed up first half group turnover by 23 per cent. from DM8.8bn. (£1.96bn.) to DM10.84bn. (£2.42bn.). Profits before tax showed a thumping great 153.3 per cent. improvement on the first six months of the previous year, rising from DM257m. (£57.3m.) to DM651m. (£145.2m.).

Figures for Bayer AG, the parent concern, show a similar strength. Turnover during the first half advanced by 24 per cent. from DM4.04bn. (£900.8m.) to DM5.01bn. (£1.12bn.). Pre-tax profits rose not quite so spectacularly as those of the group, but still showed an increase of 102.7 per cent., moving up from DM225m. (£50.2m.) to DM456m. (£101.7m.).

As with both of its rivals, the parent concern's exports grew faster than domestic sales. Overseas sales rose by 26.7 per cent. to DM2.96bn. compared with a first-half home turnover growth of 21.5 per cent., which brought sales to DM2.05bn. It is interesting to note, however, that the difference in home and overseas turnover growth was far smaller than that of the two other concerns.

Dr. Herbert Gruenewald Bayer chairman.

Furthermore, there is no sign in Bayer's figures of the second quarter dip in growth rate reported by many U.S. concerns. In fact Bayer went from strength to strength with the second quarter showing even higher growth rates than the first.

In the second quarter total Bayer AG turnover went up by 30.7 per cent. from DM1.95bn. in the same period of 1975 to DM2.55bn. The quarter was marked by a substantial recovery at home with domestic turnover up 32.2 per cent. from DM803m. to DM1.06bn. Exports, however, hardly lagged—rising by 29.7 per cent. from DM1.15bn. to DM1.49bn.

Bayer, in common with both Hoechst and BASF, appears to have suffered from the effects of the increasing value of the Deutsche Mark against other Western currencies. But Bayer, with its high proportion of overseas production facilities, probably felt the pinch a little less.

The concern's interim report states that the prices for Bayer's products in the first half of the year lay somewhat under the levels of the same period of 1975. In the fibres sector prices have remained low despite a strong increase in demand and the concern has steeled itself to taking losses on its sales. In other sectors, however, earning improved more than satisfactorily largely as a result of improved utilisation of production capacity.

As with Hoechst and BASF, Bayer found personnel costs had risen substantially in spite of 1.9 per cent. fall in the workforce. The parent concern's 63,372 workers cost the concern in pay and benefits such as pension contributions DM1.31bn. — 8.1 per cent. more than in the first half of 1975. This was a half-yearly average of DM20,608 (£4,595) per employee.

AEG first half losses cut

BY GUY HAWTIN

FRANKFURT, Sept. 1

AEG-Telefunken, the problem child of the West German electrical industry, was still making a loss in the first half of 1976. However, its interim report on the first six months is far from depressing.

Shareholders, who, for the third year running, will receive no dividend, can draw comfort from a substantial increase in turnover and orders, coupled with an encouraging reduction in losses.

As the group's executive board so delicately put it, results improved greatly during the first six months, but they were still unable to report "positive earnings." While they were not in a position to make a firm profits forecast, a further stabilisation of earnings was expected in the second half—in plant manufacturing sector, as well as consumer goods, and mass-produced electrical products.

Turnover in the first six months of the year totalled DM6bn. (£1.34bn.) 11 per cent. up on the DM5.4bn. for the same period of 1975. This growth was somewhat under the 14 per cent. increase reported for the opening five months of the year.

AEG was let down by the home market—as were most of its other competitors in the electrical industry. Home turnover rose by only 5 per cent., from DM3.3bn. to DM3.5bn. (£780.4m.). But abroad its performance was more than satisfactory with exports and overseas turnover up a full 21 per cent. from DM2.1bn. to DM2.5bn.

The order book showed the same picture. Overall the inflow of orders during the half year totalled DM7.4bn. (£1.65bn.), some 17 per cent. up on the DM6.4bn. recorded in the same period of the previous year. Growth came about entirely as a result of overseas bookings. These were up 49 per cent. from DM2.6bn. to DM3.9bn. Home orders, in fact, fell 6 per cent. from DM3.8bn. to DM3.5bn.

Preussag first-half turnover up

BY ADRIAN DICKS

BONN, Sept. 1.

PREUSSAG, the West German metals and chemicals group, increased its turnover from DM1.33bn. to DM1.44bn. during the first half of this year, largely because of the brisk recovery of activity in major metal-consuming industries and of the firmer tone of prices that has accompanied this development.

Turnover of Preussag's heavy and precious metals divisions climbed from DM434m. in the first half of 1975 to DM559m. in the first half of 1976. An upward price trend during the first quarter gathered strength during the second, the company notes in a letter to shareholders to-day. As a result, lead prices were up 31 per cent., silver prices by 9.4 per cent. and cadmium prices 46.1 per cent. Copper prices also rose, by some 21 per cent., but zinc showed little gain.

Preussag repeats in the shareholders' letter its long range plans to increase the proportions of its lead and zinc ore requirements met from its own resources, and to this end will be investing some DM14m. a year in prospecting around the world during 1976 and 1977.

Among the group's other activities, coal continued to show sluggish sales growth in spite of the recovery of overall energy demand in West Germany.

A higher rate of capacity use was achieved in the group's oil and chemicals divisions, and although it expresses disappointment about developments in the building, building supplies and fire protection spheres as well as in coal, the group reports an improvement in earnings compared to the first half of 1975. No figures were disclosed, however.

Elsevier profits rise

BY MICHAEL VAN OS

AMSTERDAM, Sept. 1.

ELSEVIER, the large Dutch-based international publishing company, has reported a first-half net profit increase of about 15 per cent. to Fls.10.6m. and the Board says that profits are expected to show the same trend over the full year.

The company said in a statement published here to-day that first half sales increased by 21 per cent. to Fls.237m. from the same period last year, adding that 40 per cent. of this growth was accounted for by new activities.

A more exact profit forecast for the second half could not be given at this stage as much would depend on the, for Elsevier, very important final quarter.

According to to-day's statement, profit per share rose to Fls.13.53 from Fls.11.98 in the same 1975 period, with the per share cash flow rising to Fls.19.71 (Fls.16.63).

Last year, Elsevier's sales amounted to Fls.434.7m. compared with Fls.328.9m., while profits due to shareholders went up to Fls.17.3m. (Fls.15.9m. in 1974).

JAPANESE PROFITS

Recovery, and reservations

BY DOUGLAS RAMSEY, IN TOKYO

THE DAMAGE done to company profits by the oil crisis and economic recession should be repaired by March 1977. That, anyway, is the concensus view now emerging from Japan's securities houses. In brief, the profits recovery should mean that recurring profits in the six months to March 1977 will equal or exceed the record performance of Japanese industry in the six months to September 1973, before the oil crisis.

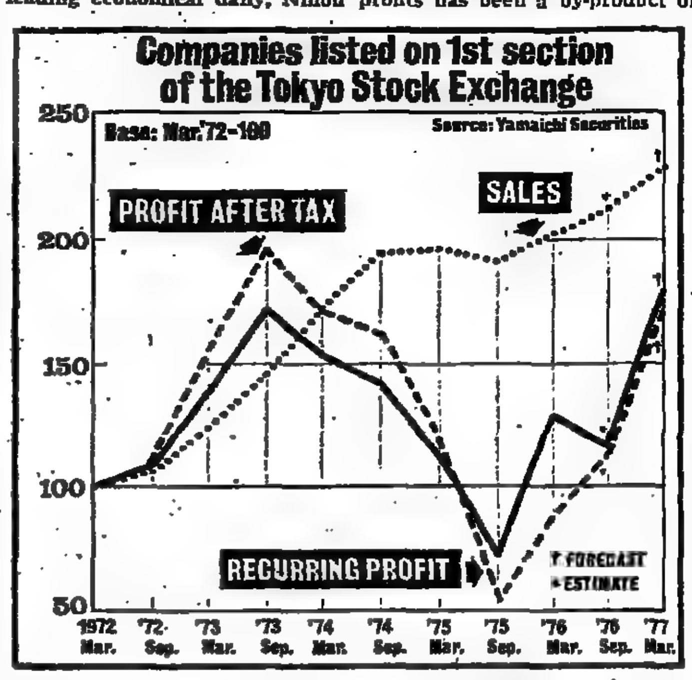
There is still a lot of humming and hawing about the exact figures, and there are too many obstacles (an appreciating Yen for instance, and the Lockheed affair) along the way to believe implicitly in surveys compiled during a time of corporate euphoria over burgeoning exports. But this optimism is something new after months, even years, of pessimism in the business community and talk of a slow-growth economy in Japan's future. If for no other reason, then, the profits outlook augurs well for company confidence in a domestic recovery—the one component of GDP still not out of the recessionary woods.

By comparison with the boost in profits of an estimated 65 per cent. for Japan's leading companies in the six months to last March, the recovery now under way still looks small. For the present business term (April to September) Wako Securities estimates that business profits will go up by some 38 per cent. for all companies listed on the first section of the Tokyo stock exchange. In the following six months, though, profits are set to grow by 54 per cent. As a result, according to Wako, industry's profit index will actually top the record level of September, 1973, by 4.5 per cent., hence putting behind Japan the debris of its worst post-war recession. And the situation looks even brighter if one takes into account that pre-tax profits in the last business term were balloned by unprecedented sales of securities and the like, not a major component of the present profits boom.

Another securities company, Yamaichi, is somewhat less bullish about profits, but its forecasts are not far off Wako's. It is predicting Y1.05 trillion in profits for the first section companies in the March, 1977, business term, after a 29 per cent. rise this term and 53 per cent. in the next. But that would still only put total profits at the level of March, 1974, or Y150bn. less than in the record semester before the oil crisis.

In fact, company reporting on sales and profits so far this term lend more credence to the Wako figures, and even they could prove short of target if the Yen exchange rate does not cut into exports before the end of September.

In its latest survey of sales and profits, for instance, the leading economical daily, Nihon Keizai Shimbun, estimates that pre-tax earnings will increase by 34.6 per cent. during this term, a very considerable revision of the forecast (an 18.4 per cent. rise) made by the paper in June. All of this indicates, really, how volatile these forecasts can be.



Exports have led the march to greater profitability in Japanese industry, and probably will continue to do so at least into the first quarter of 1977. According to Nihon Keizai Shimbun, about 12.6 per cent. of the profits rise for the September term will be directly attributable to rising automobile sales abroad, and another large slice to electrical appliance exports. Nissan Motor has already revised its profits forecast for the half year to Y80bn., up 19 per cent. on its initial target. At Hitachi, a leading appliance exporter, pre-tax profit is likely to be 10 per cent. higher than first anticipated. Even more impressive, apparently, is the estimated doubling of profits at Nippon Oil, the largest Japanese refiner; but most if not all of the higher profits are put down to gains on exchange rate transactions.

But cars and television sets do not make a recovery, and Japanese industry is well aware of this. Any pessimism until now about profits has been a by-product of an almost negligible recovery in the home market. However, if anticipated profits are any indication, business now thinks the domestic market is definitely on the upswing, and will carry profits once the windfall gains from the export market have been digested.

Manufacturing, according to the Wako survey, will come nowhere near to repeating the 450 per cent. rise in profits registered for the last March semester. First a 45 per cent. and then a 69 per cent. rise in pre-tax profits are on the cards for this and next term, lowering these businesses' share of total profit gains to 75 per cent. of Japan's total (after contributing 112 per cent. in the half-year to March to offset the net decline in non-manufacturing industry of 12 per cent.). Automobiles, for instance, will account for an 18 per cent. profits rise this term, even less next, after posting a 35 per cent. increase in the March term. And electrical appliance makers are in for an average 25 per cent. boost in earnings to next March after a 77 per cent. rise for the last semester.

In their place, some of the sectors worst hit by recession will pick up both abroad and at home: textiles, pulp and paper, steel and electrical utilities will all turn in heavy profits, particularly in the March term, after doing so disastrously until the first quarter of this year.

The enthusiasm surrounding higher profit levels aside, economists in Tokyo point out a number of negative aspects to the current situation. First and foremost is the state of after-tax profits which will probably drop by a token amount this term as a result of almost negligible profits from securities or real estate sales (a major component of the March quarter's 87 per cent. rise in profits after tax). But the projected 50 per cent.-plus jump in these earnings for the six months to March 1977 should well and truly pull companies out of the doldrums.

Another menacing cloud on the horizon is the exchange rate. The Yen is coming under increased pressure and its revaluation, whether in one fell swoop or by notches, can only eat into export profits. Yet every prediction about the profits trend assumes that exports will continue to rise, albeit not at the breakneck pace of the first two quarters of 1976.

Finally, profitability will rise, at least for the coming year, only at the expense of long-term investment in both manpower and capital goods. An alarming survey in July by the employers' organisation, Keidanren, reckoned that 70 per cent. of its member companies had no plans for major capital investment, and 85 per cent. were not even considering hiring again. No doubt the figures are exaggerated, but there is a kernel of truth too. Profits are important, but not all that important. Japanese business will have to expand by cutting into profit levels, but when is still unclear. For now, company Boards are happy to pass on the dividends and heave a sigh of relief that, at long last, the recession is (almost) past.

Japanese steel merger

By Douglas Ramsey

TOKYO, Sept. 1.

DAIDO STEEL Company to-day merged with two smaller special steels companies to form by far the largest group in the industry, with close links to Nippon Steel, which had a financial stake in each of the existing companies. Nippon Special Steel and Tokushu Seiko have legally merged with Daido, but in practice the move has all the trappings of a takeover.

The new company will still be known (in English) as Daido Steel Company Ltd., although the name in Japanese is changed from Daido Seiko to Daido Tokushuko. Mr. Kizo Takeda, president of Daido Steel, stays on as boss of the new company, which will be capitalised at Y14.5bn. (Y12.5bn. of it brought in a sthe original Daido's dowry).

Talks on the merger began last year, under pressure from Nippon Steel (despite repeated denials) which had an 11.5 per cent. direct equity stake in Daido, and somewhat larger shareholdings in the two smaller companies. The ravages of the steel recession were especially obvious in the fragmented special steels industry, and talks began almost simultaneously among four other steelmakers, also linked to Nippon Steel, for a parallel merger of companies mainly producing carbon steel products. But Osaka Iron and Steel, Ohtani Heavy Industries, Tokai Kogyo and Japan Iron-Sand Steel have not yet, for their part, reached a final agreement.

The Daido merger was sealed on April 26, but it took until July 31 for a final approval from the Fair Trade Commission.

Union opposes Hooker takeover

BY JAMES FORTH

SYDNEY, Sept. 1.

HOOKER Corporation's $A9.1m. takeover offer for Queensland footwear retailer Mathers Enterprises stirred a hostile reaction to-day from directors, trade unions and consumer groups.

Hooker has been portrayed as a marauder from the south intent on obtaining Mathers for the redevelopment potential of its freehold properties. Hooker however, is adamant that its bid is motivated by a desire to expand its retail activities and that property redevelopment was not a consideration. Mathers has 99 stores throughout Queensland, including four in the main street of Brisbane.

Mathers directors described Hooker's offer of one Hooker share plus $A1.35 cash for each Mathers' share as totally inadequate. They said it was difficult to estimate the precise value because it was dependent to a considerable extent on the value of Hooker shares.

Details were being compiled comparing the earnings record, share market performance and financial position of Mathers and Hooker, they added.

The Federated Clerks Union Central and Southern Queensland branch, issued a statement condemning the Hooker offer. The branch secretary, Mr. J. P. Forrester, said the union preferred to deal with local management and "not with absent landlords." The union generally supported the retention of local control of business where possible. Mr. Forrester called on the State Government to take every available step to ensure that Queensland business was not "gobbled up by large national and multinational organisatons."

Managing director Mr. R. W. Mathers said he was prepared to see whether State Government help could be obtained if necessary.

He said Mathers was currently negotiating to sell one of its Brisbane city properties. If the deal fell through, the company would probably seek to participate in its redevelopment. He said the four Brisbane properties were prime development sites and this would ultimately have to occur. But he felt Mathers' shareholders should be the ones to benefit.

Shell Bhd scrip issue

BY WONG SULONG

KUALA LUMPUR, Sept. 1.

THE SHELL Refining company (Federation of Malaya) has announced an interim dividend of 10 per cent. for the first half of this year (compared with 7½ in previous years), as well as a one-for-one bonus share issue, which raises the paid-up capital of the company from 30m. ringits (about £6m.) to 60m. ringits.

A company statement said to-day the company this year should be able to achieve the same record profit of 10m. ringits in 1974.

Processing and blending capacity for the first half of this year was at an average of 44,900 barrels daily, an increase of 25 per cent. from the same period last year.

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Alcan 9½pc 1989	102½	103
Aquitaine 10pc 1985	104½	105½
Bowater 9½pc 1986	101½	102
Caisse Natnl. Auto. 9pc '86	99½	100½
CNE 9pc 1985	100½	101½
ECS 9½pc 1986	101½	102
EIB 9½pc 1985	103½	104½
Erap 9½pc 1985	102½	103
Esso 8pc 1986 Nov.	100½	101½
Eurofima 8½pc 1983	100½	101
Grängès 9½pc 1983	102½	103
ISE Canada 9½pc 1986	102½	103
Massey Ferguson 9½pc '91	101½	102½
Michelin 9½pc 1986	100	100½
Modo 9½pc 1983	102	102½
Natnl. Westminster 9pc '86	99½	100
Norpipe 9½pc 1986	100½	101½
Norsk Hydro 9½pc 1986	102	102½
Oslo 9pc 1988	100½	101
Pacific Light 8pc 1988	95½	97½
Prov. Quebec 9pc 1984	100½	101½
Sandvik 9½pc 1986	101½	102½
Prov. Saskatchwn. 8¾pc '86	100½	101½
SFE 9pc 1983	100	100½
Shell 8pc 1986	100½	101½
Stand. Oil (Ind.) 8½pc '88	102	102½
Svenska Handels 9½pc 1986	101	101½
Volvo 9½pc 1983	102½	104½
NOTES		
Bank of Tokyo 8½pc 1981	100½	101½
Barclays 8½pc 1982	102½	103½
British Gas 9pc 1981	100	100½
Charbonnages France 8½pc '81	100	100½
Denmark Mort. Bk. 9pc '83	100½	101½
ECS 8½pc 1981	100½	101½
EEC 8½pc 1982	98	98½
Montreal Urban 8½pc 1981	98½	99
Nacnl. Financiera 10pc '81	103	103½
Natnl. Coal Board 8½pc 1981	97½	98
Nw. Brunswk. Prv. 8½pc '83	100½	101½
Seagram 9pc 1983	101½	102½

Source: White Weld Securities.

CONVERTIBLES	Bid	Offer
American Express 4¼pc '87	83½	85½
Ashland 5pc 1988	82	85
Beatrice Foods 4½pc 1992	97½	99½
Beatrice Foods 4½pc 1992	112½	114½
Borden 5pc 1992	100	102
Broadway Hale 4½pc 1987	77½	79½
Canon Camera 7pc 1989	144	
Carnation 4pc 1987	83	85
Chevron 5pc 1988	116	118
Dart 4½pc 1987	94½	96½
Eastman Kodak 4½pc 1988	112	114
Economic Labs. 4½pc 1987	75½	77½
Fed. Dept. Stores 4½pc '85	114	116
Firestone 5pc 1988	88	90
Ford 6pc 1986	95½	97½
Ford 5pc 1988	85½	87½
General Electric 4¼pc 1987	88	90
Gillette 4½pc 1987	73	75
Gould 5pc 1987	95½	97½
Gulf and Western 5pc 1988	86	88
Harris 5pc 1992	94½	96½
Honeywell 6pc 1986	85	87
ITT 4½pc 1987	76½	78½
Komatsu 7½pc 1990	108	109½
J. Ray McDermott 4¾pc '87	139	141
Mitsubishi Elec. 7½pc 1991	102½	104
Mitsui 7½pc 1990	104	105½
J. P. Morgan 4½pc 1987	107	109
Nabisco 5½pc 1988	94	96
Owens Illinois 4½pc 1987	97	99
J. C. Penney 4½pc 1987	81	83
Pioneer 6½pc 1988	212	
Raymond 8½pc 1988	101½	102½
Revlon 4½pc 1987	110	112
Reynolds Metals 5pc 1988	82	85
Sperry Rand 4¼pc 1988	97½	99½
Squibb 4½pc 1987	77	79
Texaco 4½pc 1988	78½	80½
Toshiba 6½pc 1990	106	108½
Union Carbide 4½pc 1982	111½	113½
Warner Lambert 4½pc 1987	91½	93½
Warner Lambert 4½pc 1988	83½	85½
Xerox 5pc 1988	79	81

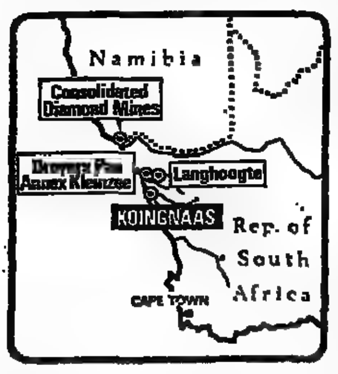
Source: Kidder, Peabody Securities.

MINING NEWS

De Beers to go ahead with new diamond mine

BY KENNETH MARSTON, MINING EDITOR

THE continuing strength of the market for gem diamonds is underlined by the news that De Beers is to resume development of its Koingnaas diamond deposit in Namaqualand after having suspended work on it in 1971. The new mine is expected to reach production in 1978 at a cost of about R20m. (£13m.) and, reports our Johannesburg correspondent, its likely annual output is reckoned to be in the region of 940,000 carats.



This figure equals about 9 per cent. of the total caratage produced last year by the De Beers group mines. More importantly, it is believed that, like the existing Dreyers Pan and Annex Kleinzee mines in the area, Koingnaas production will include only a small proportion of industrial stones, the bulk being in the form of small (under one carat), but good quality, gem diamonds.

These are in particularly good demand and the new mine will virtually double the group's Namaqualand production. Further to the north in South West Africa (Namibia) the group's gem-producing Consolidated Diamond Mines of South West Africa turned out 1.75m. carats at its open-cast operations last year. Still overshadowed by political considerations, De Beers shares managed to rise 6 to 208p yesterday.

WESTERN MINING PRODUCTION

In the four weeks ended August 24, Western Mining's Kambalda nickel mine in Western Australia treated 118,243 tonnes of ore compared with 111,504 tonnes in the previous four-week period. The latest figure included 13,125 tonnes of purchased ore.

Nickel grade in the latest period was 2.70 (2.66) per cent. with concentrate output of 22,583 (22,023) tonnes grading 12.20 (12.02) per cent. nickel and 0.95 (1.0) per cent. copper. At the Scotia mine, ore treated was 7,600 (5,884) tonnes with a nickel grade of 1.43 (1.80) per cent. Concentrate produced totalled 7.6 (632) tonnes grading 13.08 (14.08) per cent. nickel and 0.61 (0.63) per cent. copper.

In addition, 10,179 (7,489) tonnes of concentrate assaying 10.09 (11.55) per cent. nickel were produced at the Windarra project in which the company has a joint interest with Poseidon. Western Mining were 181p yesterday.

5-day week settlement

THE long-simmering dispute between South Africa's Chamber of Mines and the Mine Workers' Union over the latter's demand for a five-day working week has been settled. A joint statement by the chamber, the union, and the Minister of Mines says that a compromise has been reached. An 11-shift fortnight (a five-day week every second week) is to be introduced on the gold and coal mines from April next year.

The agreement was reached following the intervention of the Prime Minister, Mr. John Vorster, when negotiations between the chamber and the union became deadlocked. An overwhelming vote by the union members gave their leaders a mandate to call a strike. This would have brought the mines to a standstill and have had serious effects on an economy already reeling under a severe economic recession and a large balance of payments deficit.

In order to keep production losses to a minimum, the union has consented to greater responsibilities being given to Black miners. The Chamber of Mines has agreed to increased fringe benefits for the White miners. In the case of coal mines which may lose production as a result of the 11-shift fortnight, the union has agreed to further discussions.

Tale of three gold mines

ON THE basis of "a realistic forecast of gold prices," the Anglo American group's South African Land and Exploration, which started milling in 1936, now considers that operations will have to cease at the end of March, 1977, and quite possibly before then. Estimates in the 1975 annual report gave the mine's life as lasting until the end of 1978 if "Sallies" remained eligible for state assistance.

Despite the intended cessation of operations, however, it is intended to continue with exploration work to the south and south-west of present workings as it has always been considered that any exploitation of this area would have to be independent of existing operations.

The cost of the programme is put at R7.5m. (£4.87m.) over some five years and directors have decided to make an initial rights offer to shareholders to raise up to R2m. to cover the cost of the first few holes. Further details will be sent to shareholders shortly. "Sallies" were 66p yesterday.

Also falling a victim of the decline in the bullion price is the Consolidated Gold Fields group's Vlakfontein which began milling in 1942. The company has given the statutory three months' notice of closure to the Minister of Mines (although this does not necessarily mean that operations will cease at the end of that period) because the mine has been operating at low profit levels for some months and incurred losses during July and August. Vlakfontein were 34p yesterday.

In Australia, however, Central Norseman Gold reports a net profit of $1.52m. (£0.99m.) for the year ended June 29 as against a loss of $214,000 for the same previous period. Some 29 per cent. more ore was treated and the grade doubled.

UTAH SALES STAYS AHEAD

Australia's major coal exporter, Utah Development, has managed to boost net profits for the first three quarters of the year despite a reversal in the last three months. For the whole nine months the net profit is $A101.66m. (£71.47m.) against $84.73m. (£59.57m.) in the same period of the last financial year. But in the past three months, to July 31, there was a modest setback when the net profit slipped to $41.32m. (£29.05m.) from $42.49m. (£29.87m.) in the corresponding quarter last year.

The lower profit in the last quarter was reached despite an increase in mineral sales revenue from $123m. (£86.48m.) to $161.94m. (£113.85m.). Sales for the whole nine months were $129m. higher than in the same period last year at $413.8m. (£290.9m.).

Utah Development is 89.2 per cent. owned by the American group, Utah International. The remaining 10.8 per cent. is held by the quoted Utah Mining Australia, which closed yesterday at 430p.

BIDS & DEALS

Mecca gets 18 offers for Clubman

By Michael Lafferty

MECCA, the Grand Metropolitan subsidiary, has received 18 offers for the Clubman's membership subscriptions concern which it recently put on the market with a price tag of £100,000.

The highest offer is slightly below the asking price, Mr. Eric Morley, Mecca's chairman said yesterday.

Mecca is unlikely to accept an offer from former owners of Clubman's, Mr. Peter Whitfield and Mr. Bob Tanner. They sold the business to Mecca, together with its City Tote and slot machine subsidiaries, for £2m. in 1969.

"Like everyone else they believe a business is worth a lot more when they are selling than when they are buying," commented Mr. Morley. He said that Mecca would accept the offer which is best for the interests of employees and all others concerned with Clubman's affairs.

Notts. Mfg. offers 35p for G. Spencer

Nottingham Manufacturing has launched a 35p a share cash bid for George Spencer, in which it already holds a 20 per cent. stake, valuing the company at £1.57m., against net assets in the last balance-sheet of £3.9m.

The Board of George Spencer, to whom the bid clearly came as a surprise, speak for around 20 per cent. of the equity and has not yet made any statement on the offer, pending consultation with its financial advisers, County Bank.

Hambros Bank, which is acting for Nottingham Manufacturing, is offering 35p in cash for each share but shareholders are entitled to receive the interim dividend of 0.98p net.

Nottingham say that they intend to make a suitable offer for the £300,000 3.5 per cent. Cumulative Preference shares.

Spencer's profits have been under pressure for the past 18 months. Last year, profits fell from £563,000 to £32,000 and earnings per share from 5.1p to 1.3p. In the six months to July 3, 1976, pre-tax profits were £44,000 compared with £38,000

● comment

From Nottingham Manufacturing's point of view the £1.57m. bid for Spencer is well timed but it is still likely to meet with some strong opposition. Spencer's profits have tumbled from £0.64m. in 1973 to only £32,000 in 1975 and the shares, after witnessing a further decline in profits to £17,000 (strictly comparable) in the recent interim figures, were languishing close to their low point ahead of the bid at 25p. Despite this, acceptance of the bid does not seem a wise move for Spencer shareholders. The group has forecast a much better second half this year and the implication of a maintained dividend appears to reflect confidence. Trading conditions appear finally to be turning up and, given Spencer's manufacturing capacity, the recovery potential in the next couple of years should be considerable. Moreover, Spencer's balance sheet, which showed net funds of £3.9m., against net debt of £0.4m., in the last accounts must still be strong. On this basis the bid price of 35p per share (to which the shares rose after the bid), which is at a 60 per cent. discount to assets, seems meagre.

Martin Green takes stake in SHT

News that Mr. Martin Green, who together with his brother Mr. Peter Green was involved in a hectic series of deals in food retailing and other interests in recent years, has bought a 10 per cent. stake in Scottish Heritable Trust from chairman Mr. A. Cochrane Duncan at 25p, sent the shares bounding up by 4½p to 22p yesterday.

Mr. Martin Green, who has joined the Board has acquired on behalf of himself, his family and his family trusts 400,000 shares in SHT, representing about a quarter of Mr. Cochrane Duncan's personal stake and, taking into account his previous holding of 60,000, now holds 11.5 per cent. of the equity.

In addition, Mr. Green has an option to purchase within two years a further 400,000 shares from Mr. Duncan at 35p a share.

NOTICE OF REDEMPTION

Occidental Overseas Capital Corporation

8¾% Guaranteed Sinking Fund Debentures due October 1, 1979

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Fiscal Agency Agreement dated as of October 1, 1969 between Occidental Overseas Capital Corporation, Occidental Petroleum Corporation, Guarantor, and The Chase Manhattan Bank (National Association), Fiscal Agent, $1,525,000 in aggregate principal amount of the above-captioned Debentures will be redeemed for the sinking fund on October 1, 1976 at the redemption price of 100% of the principal amount thereof, together with accrued interest to October 1, 1976.

The numbers of the Debentures to be redeemed are as follows:

M17	1068	2037	3360	5118	6442	7946	9244	10582	11679	12975	13927	14781	15582	16701	17808
22	1072	2040	3368	5121	6451	7963	9251	10584	11681	12978	13930	14792	15589	16719	17809
26	1101	2093	3477	5160	6504	8000	9252	10587	11687	12992	13940	14793	15594	16738	17835
56	1105	2094	3485	5166	6530	8012	9264	10608	11695	13011	13942	14799	15611	16744	17838
59	1110	2095	3459	5168	6534	8021	9290	10619	11754	13014	13945	14817	15616	16748	18039
65	1120	2097	3495	5178	6543	8023	9303	10622	11827	13018	13954	14823	15621	16749	18043
83	1121	2098	3496	5183	6545	8037	9306	10631	11869	13020	13958	14829	15622	16754	18045
104	1178	2119	3502	5185	6565	8039	9307	10645	11880	13025	13960	14837	15638	16764	18068
112	1188	2134	3506	5195	6566	8101	9341	10647	11888	13030	13961	14842	15641	16777	18070
129	1190	2149	3509	5233	6583	8104	9367	10651	11997	13047	13988	14843	15649	16782	18075
131	1192	2150	3516	5264	6649	8106	9375	10677	12046	13056	13989	14852	15661	16784	18186
132	1196	2153	3554	5267	6683	8110	9380	10678	12048	13073	13997	14862	15678	16786	18192
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
956	1917	3108	5003	6302	7733	9084	10448	11543	12896	13756	14677	15477	16521	17691	19511
974	1921	3119	5046	6319	7742	9101	10449	11553	12897	13761	14679	15484	16565	17692	19640
977	1923	3126	5049	6324	7747	9103	10455	11559	12900	13767	14685	15488	16599	17705	19650
983	1938	3127	5050	6326	7766	9130	10456	11562	12909	13792	14696	15489	16619	17711	
989	1946	3128	5052	6332	7771	9131	10472	11596	12916	13801	14697	15499	16629	17722	
991	1954	3140	5064	6348	7772	9147	10513	11610	12926	13806	14698	15504	16630	17723	
992	1964	3162	5066	6349	7778	9150	10522	11614	12931	13814	14699	15508	16638	17732	
993	1982	3188	5068	6360	7781	9186	10524	11627	12942	13831	14701	15511	16639	17748	
996	1998	3189	5073	6370	7783	9188	10525	11629	12952	13848	14707	15514	16646	17753	
1026	2001	3191	5077	6373	7813	9204	10547	11656	12955	13852	14714	15521	16647	17754	
1037	2008	3194	5082	6413	7848	9226	10552	11661	12965	13867	14717	15527	16662	17770	
1041	2020	3204	5092	6415	7876	9227	10557	11664	12968	13873	14720	15535	16665	17776	
1056	2026	3288	5102	6420	7913	9229	10574	11665	12971	13900	14735	15549	16690	17781	
1060	2032	3289	5111	6446	7927	9235	10575	11668	12973	13923	14750	15570	16697	17792	

On October 1, 1976, there will become due and payable on the Debentures to be redeemed the principal amount thereof together with accrued interest to October 1, 1976. On and after October 1, 1976, interest on the Debentures to be redeemed shall cease to accrue.

Payment of Debentures to be redeemed will be made in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment therein of public and private debts. Payment of Debentures redeemed at the hereinafter listed offices of Paying Agents outside of the United States of America shall be by a United States dollar check drawn on a bank in New York City or by a transfer to a United States dollar account maintained by the payee with a bank in New York City.

Payment of Debentures to be redeemed will be made on or after October 1, 1976 upon presentation and surrender of said Debentures, with all coupons appertaining thereto maturing after October 1, 1976, at any one of the following Paying Agents:

The Chase Manhattan Bank, N.A.
(Agency Division)
1 New York Plaza
New York, New York 10015

The Chase Manhattan Bank, N.A.
Woolgate House, Coleman Street
London, E.C. 2, England

Hambros Bank Limited
41 Bishopsgate
London, England

Banque Internationale à Luxembourg S.A.
2 Boulevard Royal
Luxembourg, Luxembourg

Banca Commerciale Italiana S.p.A.
Sede di Milano
6 Piazza della Scala
Milan, Italy

The Chase Manhattan Bank, N.A.
41 Rue Cambon
Paris, France

Banque de Paris et des Pays-Bas
3 Rue d'Antin
Paris, France

Algemene Bank Nederland N.V.
Amsterdam, Netherlands

Banque de Bruxelles S.A.
2 Rue de la Regence
Brussels, Belgium

Commerzbank Aktiengesellschaft
Dusseldorf, Germany

The Chase Manhattan Bank, N.A.
Taunusanlage 11
Frankfurt/Main, Germany

Dresdner Bank Aktiengesellschaft
7 Gallus Anlage
Frankfurt/Main, Germany

Coupons which shall mature on, or shall have matured prior to, said redemption date should be detached and surrendered for payment in the usual manner.

Occidental Overseas Capital Corporation

By The Chase Manhattan Bank (National Association), Fiscal Agent

Dated: September 1, 1976

BOOKS

Temporary captain

BY C. P. SNOW

The Diaries of Evelyn Waugh edited by Michael Davie. Weidenfeld & Nicolson, £7.95. 814 pages

Here is a Diary entry by Evelyn Waugh, 24 June 1944:

> At about 2.30 on the night of Monday, June 19-20 I heard one [V1 i.e. flying bomb] flying over and for the first and I hope the last time in my life was frightened. Thinking this disagreeable experience over I think it was due to weakening my nerves with drink (I was drinking heavily all those days in London) and have therefore resolved to-day never to be drunk again.

The first of those two sentences is a record of fact, and the simple truth. Waugh was a man of utterly flawless courage. The second sentence enshrines a pledge for the future. It was not kept. Waugh went on with his obsessive drinking: and, to get any kind of sleep, he went on taking heavy doses of sedatives, as he had done since he was very young.

He told of those habits, with the curious open-eyed innocence of one not at home in this world, in *The Ordeal of Gilbert Pinfold*. In the diaries, which stretched over more than 50 years, though there were intermissions, he faithfully put down the details. It is possible that no one previously has ever stated on paper so many occasions of being drunk. This is peculiarly depressing to read—not because he was so often drunk, but because he seemed so miserable, or even despairing, for most of his life. There are few indications of joy or high spirits in these 800 pages of diary entries. Some diary writers tend to feel compelled to register their griefs, not their consolations. This may have been true with him. Still, the evidence is strong that an idiosyncratic kind of sadness was the prevailing tone of his existence.

It makes him more sympathetic, and his literary executors have shown good judgment in publishing his diary almost in full (with a few gaps enforced by *more than usually virulent* examples of Waugh's contempt for most of human kind). The preliminary extracts have been misleading. Nothing will ever make him appear an estimable character, but at least his own words will suggest that he was a human one.

He behaved intolerably in many circumstances during much of his life. As intolerably as any writer of high ability that one can think of. It is inflating the currency to describe him, as some of the publicity is now doing, as a great novelist. Great novelists don't come *all* that often, and probably there has been only one in the English language. Waugh was a writer of very high talent, exceptionally skilful at working within his limits, and as totally original as anyone this century. It should not surprise us, perhaps, that a talent so *original* should be part and parcel of an abnormally odd man, capable of feelingless cruelty and a *lack of* empathy which was as outstanding as his gifts. Open the diary at random and you will not have to search for long for an example.

He was, as I have mentioned, as brave at it is given human flesh to be. In 1939 he wanted to get into danger while most writers were finding themselves *somewhat more tranquil* occupations. He would have liked to be a great success as a soldier. In the battle of Crete, attached to Robert Laycock's staff, he was as undaunted as his chief, who was a professional hero.

On the other hand, it was slightly unfortunate that, during and *after these adventures*, Waugh thought it desirable to rebuke brother officers for cowardice and to indicate to others doing intelligence and similar jobs not under direct fire that their activities were useless and that they could not regard themselves as fighting men. At this time he was a *temporary captain. A few months* later he discovered that there seemed to be some difficulty about giving him another posting. *Laycock*, who was a personal friend, had to explain to him that he was so unpopular as to be unemployable.

This astonished him, but did not dismay him. It did not make the faintest difference to his performances. He seems to have been singularly unaware of others' responses to him, and only too aware that by means of his resources of abuse, which were considerable (though in his own accounts of personal exchanges in the diary he is usually a model of disapproving politeness), he could always get a *response* from them.

What he was sensitive to was not dislike, but humiliation. A good deal of his behaviour, and his extraordinary carapace of a persona, seemed to have developed in order to make humiliation impossible. His first marriage *failed*, his wife leaving him for an *acquaintance after a few* months. Later he gave Nancy Mitford a lecture on sexual timidity in men, and one suspects that he knew enough about it himself. Of course, after such a débacle, any young man would have felt humiliation as well as loss. Waugh gave the impression *that he felt humiliation alone*, and determined that it shouldn't happen again. He found a second wife much younger than himself. He was searching for a safe home. That he established, though she must have had a lot to put up with. Fortunately she seems to have been capable of downing *at least* one bottle to his two.

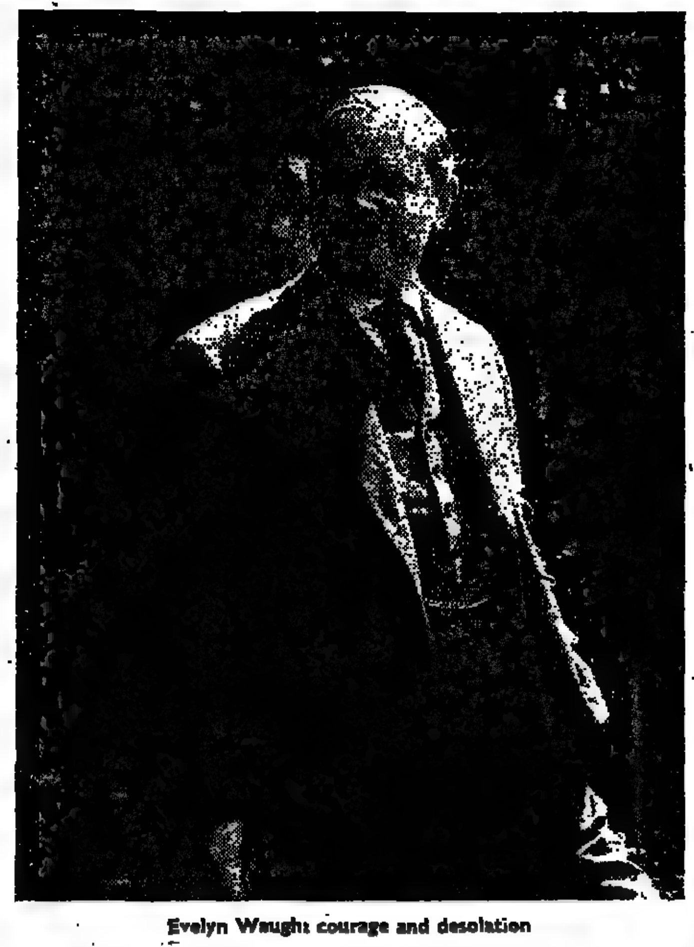
We can infer something of that relation from *Pinfold*, and something more from these diaries. From the diaries we can also make some guesses about the structure of Waugh's personality. That needn't serve as an excuse for the intolerable *aspects of his behaviour*. And it is no use trying to laugh them off, as certain of his defenders have tried—Oh, that was just *Evelyn's little way! Good writers* have no sanction to behave like callous boors. However our temperaments are made up, each of *us is responsible for his actions*: or else none of us is. I don't know which alternative is the harsher. That applies to Waugh as much as to the most unassuming of his readers. But it does no harm to try to understand something about him.

He certainly had a streak, maybe *more* than a streak of paranoia. The voices as in *Pinfold*, the electronic messages, are reported by paranoiacs every day of the week: and one can see the first premonitions very early in the diary, long before he had run into any objective trouble. In fact, his life, apart from the years immediately after going down from Oxford, was remarkably free from objective trouble. He was surrounded by much love. Great réclame and modest prosperity came to him early, and stayed constant until he died.

Perhaps more significant, because less apparent, is that he was markedly schizoid. I am sorry to use terms which don't really say *much*. It happens, though, that in a formal sense *the bold lines of his personality* can be defined. Not the small expressions which made him unique, as everyone is unique—such as why, having settled himself in the part of a country gentleman, did he regard it as suitable to dress rather like a bookmaker? Those are the *mysteries of personality*: but the crude schizoid manifestations aren't. He had, like others of his kind, less outward flow of feeling than most people. He was affectless, as children are affectless: which means that he could be cruel without feeling, as children can be.

Except in his most intimate relations, he felt little for those *round him, when they were not* evoking his internally directed emotions of contempt or rage. That is discernible in his art. And if you follow the curve of his life in these diaries, you can notice how this chill grows upon him as he gets older. Even the show of friendship drops away. *He despises humankind even* more. In London he trudges the monotonous drinking round, Hyde Park Hotel, St. James's Club, White's, Pratt's. At home he just drinks and at night drugs himself to sleep.

All that matters, the only flicker in a world of hateful faces, is his family. There is a strangely touching conflict-cum-*reconciliation with his eldest son* at the age of about 16. The two of them were highly articulate people unable to find the softening words, yet for once in Waugh's desolate life reaching out to each other. It was a desolate life. It ought to have been a consolation that it produced, *and was related to, fine art*. From this record, one doubts whether it often was.



Evelyn Waugh: courage and desolation

Fiction

Fat knight

BY ROBIN LANE FOX

Falstaff by Robert Nye. Hamish Hamilton, £3.95. 450 pages

Fiction which develops another man's fiction stands a slim chance of getting off the ground. It is too tied to cleverness, to a clever idea that Flashman or Rosencrantz could be developed beyond their conception and to a clever allusion to the books and characters which stand behind it. But I cannot see that it is impudent to an original, still less that it is likely to be more successful if it is restricted to enlargements of some minor character or some incidental theme. Why are our fic*tional masterpieces* any *more* sacrosanct than unsigned myths or legends? If Helen continues to be interpreted again and again after *Homer, why do we* fight shy of another shot at Hamlet?

Robert Nye is a poet, novelist and critic of three different genres in three different newspapers. In *Falstaff*, he has given us a most extraordinary book. The Shakespearean *character is upstaged and made* to tell his full life's memoirs. One hundred incidents from a grotesque birth to an unreadable last testament are inflated, skirted or punctured in a mock-heroic style.

Bardolph tells the story of his birth and throws new light on *the origins of that beacon of a* nose. Mistress Quickly gets more than a word in edgeways. There are battles in France and an ambush at Gadshill. Desdemona is the name of a rat, Ophelia hides a nice line in sexual expertise. One moment we are coursing through a praise *of May Day*, the next through a gigantic menu or through Falstaff's reflections on his soul. The book would stand up, just, *to a reader who knew nothing* more about Falstaff or Shakespeare than that the one was fat and featured comically and tragically in plays by the other. That alone is enough of an achievement.

Remarkably, Robert Nye has also found and held a style. He takes the only sound option, a monologue by Falstaff himself.

Vigour and an exceptionally free torrent of language and detail are the book's unusual virtues. The blurb suggests that it is somehow a tapestry of the Middle Ages. I would say it was least bearable when it collapsed into patches of colour or the *sort of blow-up of incident which* script-writing has forced on historical fiction. When it rises above a bogus sense of period, *it nearly takes off. The celebra*tion of the body with an awareness, too, of the soul, the nature of the heroic, the gap between pretension and reality these two-edged themes transcend false medievalism and are not snuffed out by a rich undercurrent of sex.

Of course, the idea is almost impossibly bold, and I am bound to conclude that it results in an ambitious failure. Perhaps a *dramatic character is only to be* re-staged in a drama.

Crimes

Murder out of Commission by R. B. Dominic. Macmillan, £3.25. 219 pages

R. B. Dominic is really Emma Lathen, who is really two Ameri*can ladies*. Very busy ladies, since they now are running two series of books contemporaneously: the Lathen tales of high banking circles, and now these Dominic chronicles of intrigue and crime in Washington and elsewhere. Here the protagonist is Congressman Benton Safford *from Ohio, and his problem this* time is a nuclear generator, about to be set up in his district. The project unleashes all kinds of passions (except sex, seldom a decisive ingredient in Lathen's work, happily) and provokes two murders. All very smooth, with some fine minor characters, including a shrewd Congresswoman.

WILLIAM WEAVER

Hypnotic hold

BY DR. DAVID CARRICK

The Wizard from Vienna by Vincent Buranelli. Peter Owen, £5.25. 256 pages

The largest and most opulent room in the Hotel Bullion, with its elegant looking-glasses, panelled walls, lofty ceilings, and oriel windows, was a favourite venue for Parisian aristocrats in the 18th century.

In 1785, however, just four short years before the revolutionary cataclysm was to sweep away all the gentility of Parisian life, the grand room was to be *the setting for a bizarre activity*. The clientèle was little changed; the décor was unaltered; but the function was very different, for the Louis Quinze room of enjoyment had become a clinic, and here, with the heavy curtains drawn, in the lambent glow of candles and to the soft music of a gentle piano, the great Mesmer exerted his strange hypnotic influence upon the wealthy valetudinarians who sought health or experience for a great price.

The relative silence of the "séance" was broken only by the whispers of patients with their doctors or the murmuring of "group therapy." Through semi-darkness, passing from patient to patient and to the *baquets* (large wooden tubs lined with bottles of magnetic water in concentric circles wherein patients awaited "cures") dressed in powdered wig, purple silk coat and breeches, ruffles of silk at his wrists, glistening buckles on his shoes, a wrought-iron wand in his hand, moved the burly figure of the famous or infamous Dr. Mesmer.

Projecting his "animal magnetism" by touching, stroking, making passes with his hands or merely by pointing his wand, he excited shuddering, twitching and minor fits in his patients, many of whom obtained relief through his hypnotic efforts and the emotive setting. But Mesmer, son of a Swabian gamekeeper, was popular only with his patients. The medical profession of Europe as well as Authority looked askance at his behaviour which was a *mixture* of occultism, charlatanism and true medicine. Few could question that he had outstanding intelligence and that he was gifted with unusual powers, this man of humble origin who, after Jesuit teaching, could have practised as a lawyer, been a philosopher or a priest. Yet, at the age of 26, in 1760 he embarked on a six-year medical course at the University of Vienna.

For a while he practised orthodox medicine but soon discovered his hypnotic powers and set up a clinic in Vienna. Despite his remarkably advanced scientific views, he began to indulge in practices which excited fear in staid circles. They *levelled not unfounded charges* of occultism and charlatanism at him. Eventually, even his friend the great Mozart could not prevent his expulsion from Vienna. Settling in Paris, he lost no time in setting up again. Many of his notions were scores of years ahead of his time, but his penchant for quarrelling with all and sundry plus his somewhat odious appeal to wealthy neurotics, which was obtained by *the old mixture of hypnotism and* medical skill, allied to his money-making showmanship, ensured that his career, which ended with his death shortly before Waterloo, was always tumultuous and uneven.

Franz Anton Mesmer did not invent hypnotism as the author of this book makes clear. The art is as old as time and has been used for a wide variety of purposes, few being beneficial save *to the practitioners. But Mesmer* was the first to use the gift in a scientific manner in the treatment of hysteria and minor mental maladies. Had he governed his wild nature and *avoided* involvement with dubious practices, his name would surely have earned a greater place in history than *being merely a verb seldom used* correctly by the great majority to whom the name Mesmer is meaningless.

Mesmer: was he a charlatan?

Yorkshire Literary Awards 1975-76

The Yorkshire Arts Association continues to offer two biennial Literary Awards, each worth £1,000, for writers of poetry, *drama, novels or non-fiction*, having strong literary connections with Yorkshire.

One award will be for a new writer (with one book or substantial publication in pamphlets or magazines to show); the other will also be open to newcomers, but more established authors (with one or more published books) will also be eligible. Entry forms from *Michael Dawson, The Director, Yorkshire Arts Association, Glyde House, Glydegate, Bradford, Yorkshire BD5 0BQ.*

Ladies in the sun

BY T. C. WORSLEY

The Memsahibs by Pat Barr. Secker and Warburg, £4.90. 210 pages

It has sometimes been said that it was the memsahibs of the 1900s and the 1920s who lost us the "richest jewel in the Imperial Crown." Certainly their *self-indulgence*, their pleasure-loving, their indolence and idleness, their disdain for the natives must have contributed *considerably. They treated their* servants as less than animals: they didn't bother to learn their language and so had no contact —even a positive disapproval of contact—with Indians of their own station in life.

Miss Barr, in her defence of the Victorian memsahib might have pointed out that these later women and girls had a long tradition of such neglect behind them. The memsahibs of her *earlier period had less oppor*tunity than their successors for so much frivolity: but they too accepted the plethora of native servants who waited on them as if of right, but treated them as little more than tiresome backward children: they, too, neglected to learn the language or exert themselves on behalf of the poor and ignorant who slaved for them.

Miss Barr's defence is based *rather on the extremes of dis*comfort and danger which the Victorian ladies suffered in their determination to accompany and support their menfolk as they went about the business of bringing order and law to their vast continent.

She begins with the sister of Lord Auckland, Emily, who, together with her brother and sister, accompanied him when in 1835 he was appointed *Governor-General responsible to* two masters, the Crown and the East India Company. Emily adored her brother and had thoroughly enjoyed family life in Richmond. She loathed both the idea of India and the actuality of it when it confronted her.

Not that, as hostess to the Governor-General, she wasn't given treatment superior to the rest of the memsahibs; the over-bearing heat, the constant entertaining on a huge scale and the discomfort of travel in those days were the worst she suffered. But she never shirked her duty —she just longed to get home.

The lives of the less exalted memsahibs was similar but worse: heat and discomfort bore more hardly on them while they were often left in solitary and dingy quarters while their husbands went about dispensing justice or pacifying recalcitrant tribes. There was no question for them of the games and *parties which were to fill the* lives of the later generations.

But there was no question either of them not keeping as close to their husbands as service conditions allowed. Thus it was that there were so many of them caught up in the horrors of the Mutiny.

The appalling suffering of the women, at Cawnpore and Lucknow, for instance, is already well enough known. But Miss Pat Barr has a light hand with popular history, and retells the disasters vividly and clearly. The relations between the two *races was never to be the same* again, and the legal and administrative reforms which followed it did more to alienate the *conquerors from the conquered* and perhaps especially so with the memsahibs.

Meanwhile civilisation was advancing. Electricity and railways combined to make the lot of the memsahibs immensely less tough, and if the individual "stations" were still provincial and boring, it was easy now to make for the hills when the heat became unbearable. Simla established itself as *the hill station by the end of the century*, especially when the new Viceroy, Lord Dalhousie, and his wife, had a grand new vice-regal palace built there.

Miss Barr leaves us at this point, only glancing forward to the new kind of life the memsahibs were to live; games, hunting, balls and "the club" became the centre of their lives.

U.K. ECONOMIC INDICATORS

General	1976 Aug.	1976 July	1976 June	1975 Aug.	1975 July
Unemployment ('000s)	1,501.9	1,463.4	1,332.6	1,250.3	1,087.8
Unfilled vacancies ('000s)	128.0	129.1	127.0	138.4	145.2
	1976 July	1976 June	1976 May	1975 July	1975 June
Currency reserves ($bn.)	5.370	5.312	5.423	6.259	6.198
Basic materials (1970=100)	301.2	299.6	292.0	233.2	227.7
Manfrd. prods. (1970=100)	219.8	217.0	214.8	191.7	189.0
Bank advances (£bn.)b	15.513	14.466	14.309	14.255	13.646
Wage rates (July 1972=100)	215.9	214.0	209.4	185.6	181.4
Retail prices (Jan. 1974=100)	156.3	156.0	155.2	138.5	137.1
	June	May	Apr.	June	May
Terms of trade (1970=100)	79.9	79.6	80.2	81.4	80.1
Retail sales val. (1970=100)	194.3	192.1	195.3	172.1	165.9
H.P. debt (£m.)¶	2,363	2,356	2,320	2,266	2,284
Industrial output (1970=100)	100.9	103.4	102.1	99.5	99.1
Trade and Industry	1976 July	1976 June	1976 Jan.-July	1975 July	1975 Jan.-July
Imports fob (£bn.)	2.481	2.403	2.195	1.926	1.763
Exports fob (£bn.)	1.957	2.039	1.914	1.563	1.519
Visible trade balance (£bn.)	0.524	0.364	0.285	0.363	0.244
Steel, weekly average ('000 tonnes)	367.1	438.4	432.6	262.2	403.4
Cars ('000s)*	133	109	117.1	93.7	131.5
Commercial vehicles	33.3	29.0	31.4	27.8	32.3
TV sets ('000s)‡‡	196	188	185.4	194	224
Radios, radiograms ('000s)‡‡	235	320	300.8	345	376
Houses completed ('000s)¶	26.5	26.8	25.7	26.9	24.7
	1976 June	1976 May	1976 Jan.-June	1975 June	1975 Jan.-June
Hosiery (1970=100)**	81	88	86.6	112	101
Man-made fibres (m. kgs.)*	51.78	52.57	52.8	47.0	46.31
Bricks (millions)*	487	445	459	418	411
Cement, weekly average ('000 tonnes)*	339	355	311	353	329
Furniture (1970=100)†**	126	157	151.8	160	154.3
Petroleum (m. tonnes)†	6.020	7.052	7.120	6.22	7.315
Electric cookers ('000s)f†	105.7	74.1	80.1	63.2	74.9
Washing machines ('000s)†	58.4	65.0	72.9	69.5	89.9
	June	May	Jan.-June	June	Jan.-June
Raw cotton, weekly average ('000 metric tonnes)§	1.91	2.70	2.33	2.00	2.05
	Apr.	Mar.	Jan.-Apr.	Apr.	Jan.-Apr.
Engineering orders on hand (1970=100)**	92	94	94.8	117	120.8
Raw wools (m. kilos)§	10.4	11.4	10.4	5.6	9.2
	Mar.	Feb.	Jan.-Mar.	Mar.	Jan.-Mar.
Machine tools (£m.)†	34.6	27.8	29.8	30.2	25.2
	1976 2nd qtr.	1976 1st qtr.	1975 2nd qtr.	1975 1st qtr.	1975 Year
Consumer spending (£bn. 1970 values)	8.875g	8.912	8.839	9.041	35.413
Motor Trade Turnover (1972=100)	177	166	148	137	143
	1976 1st qtr.	1975 4th qtr.	1975 1st qtr.	1975 Year	1974 Year
Building and civil engineering (£bn.)e	3.018g	2.998	2.644	11.610	10.220

* Production. † Deliveries. ‡ Net sales. § Consumption. ** Seasonally adjusted. †† All manufacturing industries. ‖ Excluding car radios. ‡‡ Deliveries, U.K. made and imported sets. b From May, 1975, onwards new basis of calculation refers to advances to U.K. public and private sector. Historic figures on new basis not available. d Prices. f Including cooker griller toasters. e Value of output. ¶ United Kingdom not seasonally adjusted. g First preliminary estimate. § Provisional figures.

In short—PM's wives and Parliament

The Wives of Downing Street by Kirsty McLeod. Collins, £4.95. 224 pages.

Kirsty McLeod's *The Wives of Downing Street* is a pleasant, if trivial social commentary, full of amusing anecdotes about the personal lives of her subjects and their husbands. Lady Chatham and Lady Peel were the most self-effacing of the wives, providing a bedrock of love and *stability to soften the vicissitudes* of their husbands' careers. Lady Russell and Margaret Lloyd George were in different ways rather uncomfortable partners. Lady Palmerston and Mrs. Gladstone were characters in their own right, while Mrs. Disraeli and Mrs. Asquith were notable eccentrics.

The only two who were social assets were Lady Palmerston and Margot Asquith who both employed "the technique of the salon" to further their husbands' careers. Julia Peel and Margaret Lloyd George were really only happy in the country. Mrs. Disraeli could be a liability. On one occasion when conversing with some ladies on the subject of Grecian statues she remarked, "*Oh, but you ought to see my Dizzy in his bath!*" Fanny Russell with her tendency to serve up frugal nursery food and too many of her own relations when entertaining, was a positive disadvantage. Mrs. Gladstone and Lady Chatham were too wrapped up in their own families to spend much time socialising.

In her effort to fit her eight political wives into a theme—"woman's role in the history of the British Premiership" the author has tended to distort her material and even to contradict herself. What these wives had in common was devotion to their husbands. It was a mistake for the author to strive for more meaningful comparisons.

JULIA DOBSON

Essays in English History by A. J. P. Taylor. Hamish Hamilton, £6.50, Pelican, 95p (soft back). 335 pages

Besides juvenalia there should be a recognised category of transitoria — transitory pieces that authors compose as book reviews, magazine articles or lectures. Most of the 31 pieces in this book began life in that way so to call them essays is really misleading. Also most of them have been published before in various *volumes published* by the same hard-back publisher.

But with those qualifications A. J. P. Taylor is nearly always a good read—often a very good read—and the fact that the pieces are of uneven weight simply betrays their origins. There are solid pieces on Lloyd George and *on politics in the First World* War, perceptive remarks about Northcliffe and Casement, along with one or two pieces that might perhaps have been better left in transit.

This then is the sort of book which makes an ideal travelling companion for the serious reader and it contains one typical Taylorism in a note added to his essay "Prelude to Fashoda: The Question of the Upper Nile 1894-95." Taylor remarks that "the essay contains my only discovery of something previously unknown, the Anglo-Congolese *Agreement of April 12, 1894, soon* to be superseded by a similar agreement on May 12, 1894."

It is that finely judged irony applied equally to others and to himself that gives to so much of Taylor's prose its distinctive cutting edge and lends such style to his often provocative judgments.

REX WINSBURY

The Houses of Parliament edited by M. H. Port. Yale University Press, £14.50. 350 pages

Appropriately enough the frontispiece to this exhaustive account of the design and building of the New Palace of Westminster is a piece of Gothic Lily wallpaper, designed by Pugin and hand printed from the original wood blocks.

This promising introduction is somewhat negated as the book appears to have been imperfectly checked before publication. In the editor's preface there is an acknowledgement to Lord Maybray-King, unpardonably spelt Maybrace, on page 17 the *word For, instead of Four*, commences a sentence. The original Royal Fine Arts Commission (re-established as the Royal Fine Art Commission in 1924) is referred to in three differing versions of the title. Such things are annoying to a careful reader and hardly good value at the price of £14.50.

Nine writers account for the history of this great building, taking us from the fire of 1834, caused by the overheating of stoves in which were being consumed large quantities of wooden tallies previously used in accounting, to world architectural influences arising from the design.

Quite the most readable chapters are Phoebe Stanton's on the collaboration between Barry and Pugin. The portrait of Pugin by J. R. Herbert R.A. is reproduced among over 200 monochrome plates and the 12 colour plates with which the book is copiously illustrated. Every aspect of the work is dealt with including the original competition conditions and the controversy which arose as the result, the story of the select committees and the estimates, building problems of the 1840s, techniques used and accounts of the sculpture, metal*work, stained glass and furni*ture.

It may be of some comfort to harassed architects of to-day that even then the original estimate of £700,000 for the building had been exceeded by £1,200,000!

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APPOINTMENTS WANTED

QUALIFIED ACCOUNTANT/BANKER with good experience in both fields, especially in Internal Auditing, seeks full or part time position. Tel. 01-346 1569.

LEGAL NOTICES

No. 002823 of 1976
In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of GLENLOCK PRESS LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 24th day of August, 1976, presented to the said Court by T. A. GRIFFIN & CO., LIMITED, whose registered office is at Fairfax House, Fulwood Place, London, WC1V 6DW, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL, on the 18th day of October, 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

WM. F. PRIOR & CO.,
23/28, Fleet Street,
London, E.C.4.
(Reference: HM/6318),
Solicitors for the Petitioner.

NOTE—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 15th day of October, 1976.

COMPANY NOTICES

McCARTHY GROUP LIMITED
(Incorporated in the Republic of South Africa)
Notice to Shareholders
PRELIMINARY PROFIT ANNOUNCEMENT AND DIVIDEND DECLARATION

The directors announce that the unaudited group profit for the year ended 30th June, 1976, with comparative figures for the previous year, are as follows:—

	1976 Unaudited R000	1975 Audited R000
Group operating profit	11 980	11 276
Less: Interest	3 911	3 781
Taxation	3 505	3 214
Minority interest	554	589
GROUP NET PROFIT	R 4 010	R 3 692
Issued ordinary shares	16 987 415	16 417 915
Earnings per ordinary share (after tax and preference dividends)	23.5 cents	22.4 cents
Dividends declared for the year:		
Interim ordinary	3.5 cents	3.0 cents
Final ordinary	5.0 cents	5.5 cents

The marked downturn in vehicle sales during the last quarter of the financial year, in a market which was particularly competitive, together with the short term effects of franchise realignments, adversely affected the group's profit. As a result, the earnings per share for the year showed only a marginal increase of five per cent. In these circumstances, your board felt it prudent to declare a final dividend of five cents, thereby maintaining the total dividend for the year at 8.5 cents per share.

A comprehensive report concerning the group's trading activities will be contained, as usual, in the chairman's review and the report of the directors to be issued at the end of September, 1976.

Final Ordinary Dividend No. 71

NOTICE IS HEREBY GIVEN that the final ordinary dividend No. 71 at the rate of five (5) cents per share has been declared by the directors for the year ended 30th June, 1976, payable to the holders of ordinary shares registered in the books of the company at the close of business on the 24th September, 1976.

The dividend is declared payable in the currency of the Republic of South Africa and dividend warrants will be posted in South Africa to all shareholders on or about the 22nd October, 1976.

For the purpose of establishing the shareholders entitled to participate in this dividend, the transfer register of the company will be closed from the 25th September, 1976, to the 2nd October, 1976, both days inclusive. Shareholders are advised that any change of address and/or dividend instructions must be lodged with the transfer secretaries on or before the 24th September, 1976, at their address given below.

In terms of the South African Income Tax Act 1962 (as amended), the Non-Resident Shareholders' tax of 15% will be deducted by the company from dividends payable to shareholders whose addresses in the register of members are outside the Republic of South Africa.

BY ORDER OF THE BOARD:
C. R. BANNISTER, F.C.I.S.,
SECRETARY.

Transfer Secretaries and Certification Office
Hill Samuel Registrars (S.A.) Limited,
P.O. Box 62318, MARSHALLTOWN, 2107,
Transvaal.

Registered Office:
1101 Nedbank Circle,
577 Point Road,
DURBAN
23rd August 1976.

GOLD FIELDS GROUP
VLAKFONTEIN GOLD MINING COMPANY LIMITED
(Incorporated in the Republic of South Africa)
COMPANY ANNOUNCEMENT

As indicated in the Chairman's Review dated 20 February 1976, the earnings of the mine are very sensitive to fluctuations in the price of gold and to increases in working costs, and a decline in profits was foreseen.

The company has been operating at low profit levels for some months and incurred working losses during July and August 1976. As a result of the decline in the price of gold the limited amount of payable ore in the mine has been considerably reduced and under present conditions it will be difficult to maintain operations on a profitable basis unless there is a considerable improvement in the price received for gold.

In view of the uncertainty of the price of gold, it has been decided to give three months' notice of cessation of mining operations to the Minister of Mines as required under the *Mining Rights Act No. 20 of 1967*. This does not mean that mining will necessarily cease at the end of the three months' period, but it will permit the company to take any necessary action at short notice.

By order of the board,
GOLD FIELDS OF SOUTH AFRICA LIMITED,
Secretaries,
per D. J. White.

Johannesburg,
1 September 1976.

CHARTER CONSOLIDATED LIMITED
NOTICE TO HOLDERS OF 8% CONVERTIBLE UNSECURED LOAN STOCK 1984
Interest Payment No. 15

NOTICE IS HEREBY GIVEN that the Loan Stock register of the company will be closed from 17 to 30 September, 1976, both days inclusive, and that warrants in payment of interest in respect of the half-year ending 30 September, 1976, amounting to £2.50 (less tax at the basic rate) per £100 nominal of loan stock, will be posted on 28 September, 1976, to stockholders registered on 16 September, 1976.

By Order of the Board
CHARTER CONSOLIDATED LIMITED
D. S. BOOTH, Secretary

Registered Office:
40, Holborn Viaduct,
London EC1P 1AJ.
1 September, 1976.

GOLD FIELDS GROUP
GOLD FIELDS OF SOUTH AFRICA LIMITED
(Incorporated in the Republic of South Africa)

DECLARATION OF DIVIDEND NO. 55—UNITED KINGDOM CURRENCY EQUIVALENT

In accordance with the Standard Conditions relating to the payment of Dividend No. 55 declared on 13 August, 1976, payments from the office of the United Kingdom Registrar will be made in United Kingdom currency at the rate of exchange of R1.545200 South African currency to £1 United Kingdom currency, this being the first available rate of exchange for remittances between the Republic of South Africa and the United Kingdom on 31 August, 1976, as advised by the Company's South African bankers.

The United Kingdom currency equivalent of Dividend No. 55 of 80 cents per share is therefore 51.77323p per share.

By Order of the Board.
C. E. WENNER,
H. J. GREEN,
Joint London Secretaries.

London Office:
49 Moorgate,
London EC2R 6BQ.
United Kingdom Registrar:
Lloyds Bank Limited,
Registrar's Department,
Goring-by-Sea,
Worthing,
West Sussex BN12 6DA.
1 September, 1976.

J. LYONS & COMPANY LIMITED
(CDRs)

The undersigned announces that as from 8th September 1976 at Kas-Associatie N.V., *Spuistraat 172, Amsterdam*, Div. Cp. No. 9 of the Cdrs. J. Lyons & Company Ltd. each repr. 25 £1—units of the "A" Ord. Stock, will be payable with D.Fls.8.59 (re Final Dividend for the 52 weeks ended 26th March, 1976). Tax credit Pnd. Str. —.745 = D.Fls. 3.55 per Cdr. Non-residents of the United Kingdom can only claim this tax credit when the relevant tax treaty meets this facility.

Amsterdam,
August 27, 1976.

Amsterdam Depositary
Company N.V.

REED PUBLISHING HOLDINGS LIMITED

NOTICE IS HEREBY GIVEN that the TRANSFER BOOKS of the
3½% Debenture Stock 1983/88
6½% Debenture Stock 1983/88
will be closed on the 1st October 1976 for that day only for the purpose of preparing half-yearly interest warrants payable on the 1st November 1976.

By Order of the Board,
M. J. N. BRIDGE,
Secretary.

Orbit House,
9 New Fetter Lane,
LONDON, EC4A 1AR.

F. AUSTIN (LEYTON) LIMITED

NOTICE IS HEREBY GIVEN that the Ordinary Share Transfer Books of the above Company will be closed from 17th to 27th September, 1976, both dates inclusive, for the preparation of dividend warrants.

By Order of the Board,
T. L. REES, Secretary.

Argall Avenue,
Leyton,
London E10 7PZ.

PERSONAL

FOR SALE. Cricket bat barely used. Contact Michael Hicks at home, Southend 32270.

CONTRACTS AND TENDERS

INVITATION TO TENDER

THE POSTS AND TELECOMMUNICATIONS CORPORATION OF GHANA INVITES TENDERERS FOR:

ESTABLISHMENT OF EARTH STATION COMPLEX AND NEW INTERNATIONAL SWITCHING CENTRE

The Project comprises the following two sub-projects:—

Sub-Project A:

Construction of Earth Station Buildings and Installation on turn-key basis of a standard INTELSAT Earth Station and associated facilities consisting of:—

(a) Antenna System;
(b) Communication System;
(c) Multiplex — Demultiplex System with Engineering Service Panel;
(d) Terrestrial Microwave Link;
(e) Control, Monitoring and Test facilities;
(f) Power supply and Special facilities;
(g) Co-axial Cable System;
(h) Spade System;
(i) T.V. Standard Converter.

Sub-Project B:

Installation on turn-key basis of an International Switching Centre consisting of:—

(a) International Telephone Switching Exchange;
(b) (i) *International Telex Exchange*
(ii) Message Relay System;
(c) Power Plant;
(d) Miscellaneous Facilities.

Prospective tenderers may obtain copies of general conditions of tender and contract and the specifications against payment of two hundred and thirty U.S. dollars (U.S.$230.00) per complete set of documents daily between 09.00 hours and 16.00 hours G.M.T. from 1st September 1976 to 30th September 1976 at the address given below:—

For Ghanaian tenderers only, the charge per complete set of tender documents shall be two hundred and sixty-four Cedis (C264.00).

DIRECTOR OF ENGINEERING,
EXTERNAL TELECOMMUNICATION SERVICES,
(ROOM 316, 3rd FLOOR),
THE POSTS AND TELECOMMUNICATIONS BUILDING,
ACCRA-NORTH,
ACCRA, GHANA.

The closing date for the submission of tenders will be at 10.00 a.m. Ghana time on 30th November 1976.

DIRECTOR-GENERAL,
THE POSTS & TELECOMMUNICATION CORPORATION OF THE REPUBLIC OF GHANA.

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Financial Times, 10 Cannon Street, EC4P 4BY

FINANCIAL TIMES World Aerospace CONFERENCE

Nationalised Board ready to delegate says Lord Beswick

BY JAMES McDONALD

THE TURNOVER of the companies which will constitute the nationalised British Aerospace organisation exceeded £550m. in 1975, with an average for each of the previous five years *(corrected to 1975 prices)* of £590m., Lord Beswick, chairman of the organising committee for British Aerospace, said in London yesterday.

Speaking at the Financial Times *two-day conference on* World Aerospace, at the Hilton Hotel, he added: "The current order book is in the region of £1.5bn., and exports in 1975 represented over 50 per cent. of sales.

"This is the dowry which British Aerospace will inherit, and this is the proof of capacity which the U.K. will contribute to Europe."

There was no serious argument against the proposed re-structuring of the British aviation industry "but it would be absurd to pretend that there has been no argument at all. The argument, however, has been about ownership. Public ownership to some commentators on the contemporary scene has the effect of a red rag to a bull."

Commenting on what he called the "bogy" of a big new top-heavy bureaucracy, Lord Beswick said: "That can be dismissed. The number of new people who will come in from outside the industry is unlikely to reach double figures. We have talent enough within the present ranks.

"There will be no new expensive headquarters buildings. We have property enough already."

He added: "We shall have at top a non-functional board capable of deciding strategy, able to monitor performance, but determined to delegate, as far as efficiency permits decision-making down the line."

Lord Beswick made the proclamation: "We recognise that the days of generous Gov*ernmental aid are over. We shall* ask for, and expect to get, from our Governmental banker adequate investment for projects which can sensibly be expected to yield a return."

Terry Kirk

Lord Beswick, chairman of the organising committee for British Aerospace, with Mr. J. C. Brizendine, vice-president of McDonnell Douglas, on his right and Mr. Lawrence O. Kitchen, president of Lockheed Aircraft, on his left.

Prohibitive

Mr. L. O. Kitchen, president of Lockheed Aircraft Corporation, said that the remaining decades of the 20th century *would probably be characterised* by economic constraints, resulting from such factors as inflation, the search for new energy sources, material shortages, and the need to meet rising environmental standards. Those constraints would make for "continuing capital formation problems."

The effect on U.S. commercial aircraft manufacturers would be to place increased emphasis on *the incremental improvement of* existing and derivative wide-bodied aircraft "rather than to follow the prohibitively costly route of developing new aircraft."

There were, he said, no *technical breakthroughs on the* immediate horizon that would make wide-body aircraft obsolete before the turn of the century. But there were many technical advances now in hand or contemplated that could be incorporated into current and derivative aircraft.

Advances

He discussed some of these advances—including active controls, composites, engine improvements and high-aspect ratio wing—and their effect upon such performance factors as fuel conservation.

M. Bernard Lathiere, president and chief executive of Airbus Industrie, told the conference that his company was open to aid from new partners in designing variations of the A.300 Airbus. "That is why we are discussing with British industry a British comeback to the project." But 99 per cent. of the company's effort was being directed towards selling the present B2 and B4 types of the airbus, he added.

Although Airbus Industrie was satisfied with the present General Electric airbus engine, it would be open to using Pratt and Whitney or Rolls-Royce (1971) designs if airlines wanted them.

Sir Denis Spotswood, vice-chairman of Rolls-Royce (1971), said that no engine manufacturer was likely to be able to launch a new engine without collaboration with partners and without seeking more than one application. European manufacturers would need to co-operate with concerns outside Europe, but, they must present a united front to guard against becoming purely sub-contractors and then losing business entirely.

Growth rate

Mr. Bruce N. Torell, president of Pratt and Whitney Aircraft Group, said: "I think the traffic situation is going to be better in the near term. U.S. airline traffic growth so far this year has been at an annual rate of about 12 per cent., and I think we should have about 10 or 11 per cent. growth for the full year. This compares with a slight reduction in traffic for the past two years.

"A year ago we at Pratt and Whitney Aircraft Group predicted that revenue passenger miles worldwide—would average a growth rate of about 8½ per cent. a year, requiring the airlines to double their seating capacity by about 1985. We still believe this to be very close to what will happen. Recently released IATA figures also estimate an 8 per cent. average annual increase in scheduled passenger miles, for 1976 through 1981."

"Several new models of aircraft will be needed in quantity by the airlines beginning in the early 1980's," declared Mr. *Malcolm T. Stamper, president* of Boeing.

"We are working seriously on two: the all new 7X7 and a substantially modified derivative, the 7N7." The 7X7 was a high technology commercial transport in *the size class below the DC-10* but larger than the 727-200. The 7N7 was a partially-new commercial transport aircraft in a *size* category below that of the 7X7.

Mr. John C. Brizendine, vice-president of the McDonnell Douglas Corporation, said that to-day's "widebodies" would have *useful* lives in the region of 20 years. "We calculate that in those 20 years each DC-10 will attract something like $400m. in revenue for its owners—in to-day's dollars."

Mr. Franz Forster-Steinberg, corporate director, international operations, of the Messerschmitt-Bolkow-Blohm Gmbh, Munich group, said: "If we accept the concept of an Atlantic co-operation we have to accept the fact that various European companies or groupings, such as Airbus Industrie, may decide on co-operation with one or the other U.S. manufacturer.

"It does not seem realistic nor desirable to us to expect that all of Europe's aircraft companies with civil transport interest must at all times join up into one group before joining one U.S. manufacturer."

Mr. Robert Anderson, *president of Rockwell International,* prominent in the U.S. space programme, told the conference that the first of the NAVSTAR satellites was scheduled for launch next spring.

"With the unprecedented accuracy and flexibility which the *Global Positioning satellite* system offers, it would appear that there will be significant civilian applications in the 1980's for precision air traffic control and even for private users in small boats or airplanes."

The rotary wing-helicopter business was a very exciting sector of the aerospace industry, said Mr. Gerald J. Tobias, president of Sikorsky Aircraft. "We can see the development of the *helicopter industry progressing* towards maturity and we can pace this progress against events occuring in the fixed-wing aircraft industry about 30 years ago.

Threshold

"All reasonable models indicate that we are, at present, on the threshold of the helicopter industry establishing a new level of world-wide acceptance."

In one of a number of provocative speeches which led to considerable discussion during the day, Dr. G. C. Klapwijk—chairman of the Executive Board of VFW-Fokker, the German-Dutch group—said he did not believe the formation of large national aircraft manufacturing groups would be helpful.

"I fear they may instead contribute to the nationalism which is already proving such an obstacle in Europe *to-day.*

"We are coming up to perhaps the most critical period in our history. If we do not succeed in *obtaining* a substantial share of the airline re-equipment orders which are imminent *our prospects are bleak. It is* about time we stopped talking quite so much in public and diverted our vocal energy to talking more effectively in political and associated circles."

Lord Boyd-Carpenter, chairman of the *Civil Aviation Authority*, was the guest speaker at the conference lunch.

BRITISH ASSOCIATION AT LANCASTER

Engineers 'face tougher demands than scientists'

BY DAVID FISHLOCK, SCIENCE EDITOR

THE DEMANDS made of the engineer were of a higher order than those made of the scientist, a leading British engineer told the British Association for the Advancement of Science last night.

Far more young people of outstanding ability had to be attracted to engineering if the British were to survive as an eeffctive nation, Sir John Baker said in his Presidential address, opening the annual meeting of the Association at Lancaster University.

The engineer was constantly engaged in a real enterprise, to produce something new, within *tight limits of cost, and something* that would work. "That it must work provides the stark discipline but also the immense satisfaction," he said.

The public had been pampered into taking engineering marvels for granted. Sir John cited kidney machines that kept some people alive, and the complex equipment Britain sold abroad to pay for its food.

All must be conceived, designed in minutest detail, fabricated to fine limits from the right materials, and put together. Then they must work.

When they did not work, he said, they could not be quietly buried in the pages of a scientific journal. The failure was there for all to see, "*often* with all its attendant tragedy.

Satisfaction

"But when they succeed, the satisfaction of standing back and looking at what one has helped to create eclipses any feeling that comes from evolving a new theory or writing a book or paper."

Sir John blamed the decline of engineering in part on a misunderstanding of the role of scientists in the Second World War in developing such weapons as radar, the jet engine, and the atomic bomb. Those developments had been achieved by scientists working as engineers, and not as scientists, using scientific knowledge largely available before the war.

After the war, in the light of benefits scientists had brought to the war effort, much money had gone into science rather than into engineering, in the belief that it would enrich Britain.

Linked to this were three other factors, "unrelated, but in *their cumulative effect disastrous* to the economic health of our country." They were the loose use of the term "scientist" to include engineers; the spreading of this misapprehension by the mass media; and the great explosion in higher education, particularly university education, with bright children encouraged to go into science rather than engineering.

Most teachers had only the remotest contact with engineering, and even such engineering achievements as space travel and winning oil from the North Sea were described as "triumphs for science," said Sir John.

Yet the demands, "intellectual and every other way of the engineers' work are of a higher order than those facing the scientist," despite the fact that it was science which had the status and glamour.

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Index jumps 12 on economic news

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Sept. 1.

SHARP GAINS were recorded on Wall Street to-day, extending and accelerating a low-key rally of the three previous sessions on some appealing economic developments, according to analysts.

The Dow Jones Industrial Average further advanced 12.21 to 985.95 and the NYSE All Common Index rose another 58 cents to $55.50, while gains led losses by 993 to 391. Trading volume jumped another 3.16m. shares to 18.64m.

Analysts attributed the rally largely to several favourable developments concerning inflation. The developments included a Steel Industry price increase cancellation, postponement of price boosts by some steel users, the report that most of the impact of aluminium price increases may be delayed, and a report that productivity is rising. Economists consider a rise in productivity anti-inflationary.

In the day's economic news, U.S. construction spending in July fell 1.5 per cent. after a 2.6 per cent. gain in June.

In addition, the Government to-morrow is scheduled to release the August Wholesale Price Index, and analysts believe it also will make pleasant reading. The WPI rose 0.3 per cent. in July.

Some analysts, meantime, attributed part of the market's strength to technical factors stemming a recent oversold condition.

In Steels, U.S. Steel moved ahead $1¾ to $49¾, Bethlehem $1¾ to $41⅛ and Republic Steel $⅞ to $34⅞.

General Motors rose $⅞ to $68⅞, Ford $⅞ to $56¼ and Chrysler $⅞ to $21¼.

Pitney-Bowes gave way $⅞ to $14⅛—a Federal Court jury found it guilty in a suit brought by Alpex Computer.

THE AMERICAN SE Market Value Index moved up 0.43 to 102.41, while advances topped declines by 370-to-224. Volume expanded 180,000 shares to 1.65m.

Jim Walter rose $1 to $31⅞ and Norfolk and Western $3⅛ to $53⅛.

WEDNESDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Fed Nat. Mort.	369,400	16⅛	+⅛
Exxon	317,400	52⅞	—
Gen. Tel. Lt.	294,600	23⅛	—
Westinghouse Elec.	271,500	16⅛	—
Amer. Tel. and Tel.	215,000	59⅛	+⅛
Int'l Tel. and Tel.	186,200	31⅞	+⅛
Dow Chemical	180,500	45⅛	+1⅛
Travelers	176,600	36⅛	+⅞
Gulf Oil	175,300	27⅛	+⅛
Texaco	165,500	27	+⅛

Canada up again

With the exception of Banks, which shed 0.58 to 250.21 on index, Canadian Stock Markets gained further ground yesterday.

The Industrial Share Index put on 0.17 to 187.27, Golds 1.79 to 236.93, Base Metals 0.64 to 90.40, Western Oils 0.18 to 226.81, Utilities 0.15 to 147.06 and Papers 0.48 to 124.09.

Simpsons were off $⅛ at $5⅞ on 83,197 shares, while Metropolitan Stores "A" lost $1 to $12 on lower first half year earnings.

Northern Telecom added $⅞ at $37¼ and Texasgulf advanced $⅞ to $33⅞.

OTHER MARKETS

PARIS—French share prices dropped across the board for the second straight session in a moderately active market. Investors' confidence in the new French Government appeared to be waning following the disclosure that Wholesale Prices rose by 2.5 per cent. in July.

Chemicals, however, were mixed.

Ferodo were off Frs.11.50 to Frs.401 and Bouygues Frs.16 at Frs.291.

AMSTERDAM — Irregularly higher.

Banks and Insurances were steady to firm, but Transportations were weak.

In Dutch Industrials, Heineken moved up Fls.3.30. Buehrmann-Tetterode Fls.1.60, Elsevier Fls.7, OCE Fls.1.90, Pakhoed Holding Fls.3.50 and RSV Shipbuilding Fls.1.10.

Bonds gained an average of Fls.0.20 to Fls.0.40. A new Government Loan (1977-86) at a 9.5 per cent. coupon was announced. The price of issue will be announced on September 7.

BRUSSELS—Modest gains predominated in active trading.

Among modestly higher Steels, Cockerill gained Frs.10 to Frs.762 but Clabecq fell Frs.85 to Frs.4,415. Intercom were up Frs.20 to Frs.1,570 in generally higher Electrical and Utility stocks.

Metals were mostly steady, Chemicals finished mixed, Oils tended higher, while Holdings were firm.

U.S. shares advanced modestly. South African Gold Mines were higher, Dutch Issues firm, Germans were mixed, while the French sector was lower.

GERMANY — Lower amid featureless trading, with investor interest mostly centred on the firm Bond Market.

Sharply higher first half-year world pre-tax profits for Bayer had little market impact. Bayer closed unchanged.

AEG shed DM0.7 to DM86.2—it said first half-year earnings were still not enough to show an overall profit.

Preussag slipped DM0.30, despite higher first half-year profits.

Motors and Electricals shed up to DM1, Banks up to DM2 and Steels up to DM2.50.

SWITZERLAND — Narrowly mixed in quiet activity. Buying interest switched to a few hitherto neglected secondary issues, which firmed markedly.

Financials generally eased, while Insurances remained steady.

Dollar stocks rose in an active turnover, Dutch Internationals were steady, while Germans were mixed.

COPENHAGEN—Lower in fair dealings.

OSLO—Bankings were quiet. Insurances barely steady. Industrials weaker, while Shippings were irregular.

VIENNA—Slightly higher in moderate trading, although Breweries were inclined easier.

MILAN—Weak in a low level of activity.

JOHANNESBURG—Gold shares were generally higher, with some buyers entering the market just before the close.

Financial Minings followed Producers more cautiously and tended firmer.

Coppers made small gains in light trading, Platinums were mixed, while Minerals were slightly higher.

Collieries were quietly firmer, as were Industrials.

HONG KONG—Higher in increased trading.

Hong Kong Bank were up 10 cents to $HK19.20. Hong Kong Land 5 cents to $HK7.00. Hutchison 7½ cents to $HK3.35, Wheelock "A" 2½ cents to $HK2.40. Jardine 20 cents to HK20.40. Swire Pacific "A" 10 cents to $HK10.10. Hong Kong Electric 10 cents to $HK4.625. China Light 30 cents to $HK24.70. Hong Kong Telephone 40 cents to $HK25.00. Hong Kong and Kowloon Wharf 20 cents to $HK17.10 and Hong Kong Dock 10 cents to $HK10.30.

TOKYO—Sharply higher following active selective buying which spread over most sections. Volume 400m. (250m.) shares.

Foods, Chemicals, Pharmaceuticals, Ceramics, Motors and Speculatives all firmed.

But some Petroleums, non Ferrous Metals, Shippings and Constructions eased on late selling.

AUSTRALIA — Mixed after profit-taking curbed early gains.

CSR rose 6 cents to $A5.02.

Banks were generally steady, but Bank of New South Wales fell 10 cents to $A5.36 and ANZ 9 cents to $A3.76.

Pancontinental dropped 45 cents to $A14.30, but Queensland Mines rose 8 cents to $A2.88 and Kathleen put on 5 cents to $A1.73.

Peko-Wallsend reacted 20 cents to $A3.70 after its strong advance following its higher profit figures.

Coals and other Energy stocks were generally slightly firmer, while Breweries and Tobaccos were little changed.

Indices

NEW YORK —DOW JONES

	Sept. 1	Aug. 31	Aug. 30	Aug. 27	Aug. 26	Aug. 25	1976 High	1976 Low	Since compilation High	Since compilation Low
Industrial	985.95	973.74	969.92	963.93	960.44	970.86	1011.21 (12/7)	858.71 (2/1)	1051.70 (11/1/73)	41.22 (2/7/32)
HomeB'nds*	88.54	88.54	88.54	88.32	88.58	88.25	88.36 (26/8)	85.58 (15/7)	—	—
Transport	220.40	218.04	216.75	216.86	214.75	216.75	231.27 (14/7)	175.69 (2/1)	279.88 (7/2/69)	13.23 (2/7/32)
Utilities	88.48	82.85	82.41	82.22	82.54	82.47	88.86 (6/8)	84.8 (26/5)	165.52 (20/4/69)	10.58 (28/4/42)
Trading vol. 000's	18,640	15,480	11,140	12,120	15,270	17,460	—	—	—	—

* Basis of index changed from July 1.

	Aug. 27	Aug. 20	Aug. 13	Year ago (approx.)
Ind. div. yield %	3.97	3.91	3.83	4.66

STANDARDS AND POORS

	Sept. 1	Aug. 31	Aug. 30	Aug. 27	Aug. 26	Aug. 25	1976 High	1976 Low	Since compilat'n High	Since compilat'n Low
* Industrials	119.50	118.16	114.28	118.59	115.59	114.17	119.92 (14/7)	101.64 (2/1)	134.54 (11/1/73)	3.52 (30/6/32)
† Composite	104.06	102.91	102.07	101.48	101.32	102.03	105.86 (14/7)	90.90 (2/1)	120.24 (11/1/73)	4.40 (1/6/32)

	Aug. 25	Aug. 18	Aug. 11	Year ago (approx.)
Ind. div. yield %	3.56	3.47	3.48	4.01
Ind. P/E Ratio	12.81	12.85	12.77	10.57
Long Govt. Bond yield	8.22	8.34	8.34	8.63

N.Y. S.E. ALL COMMON

Sept. 1	Aug. 31	Aug. 30	Aug. 27	1976 High	1976 Low
55.50	54.92	54.51	54.23	56.54 (12/7/76)	57.06 (2/1/75)

Rises and Falls	Sept. 1
Issues Traded—1850	Up 993
Down 391	Same - 466
New Highs 55	New Lows 14

MONTREAL	Sept. 1	Aug. 31	Aug. 30	Aug. 27	1976 High	1976 Low
Industrial	183.51	180.88	180.58	180.68	207.54 (19/3)	175.62 (2/1)
Combined	188.05	186.80	186.15	188.45	199.78 (20/5)	173.87 (2/1)
TORONTO Industrial	187.27	187.10	186.84	187.10	197.45 (20/2)	175.81 (2/1)
JOHANNESBURG Gold	124.5	120.3	118.4	118.6	228.7 (12/5)	115.5 (30/8)
Industrials	180.7	178.5	177.1	177.8	216.8 (21/5)	177.1 (30/8)

	Sept. 1	Pre-vious	1976 High	1976 Low
Australia (a)	502.37	502.55	522.63 (19/3)	440.42 (5/1)
Belgium (b)	96.30	96.59	115.16 (0/2)	95.43 (30/8)
Denmark (d)	112.34	112.81	117.70 (19/5)	100.20 (10/5)
France (c)	61.7	62.5	74.3 (3/5)	61.3 (23/8)
Germany (f)	755.1	755.3	821.7 (1/5)	727.6 (9/6)
Holland (g)	58.3	58.5	103.3 (5/2)	84.3 (27/8)
Hongkong (h)	417.24	413.06	465.55 (17/5)	354.95 (2/1)
Italy (i)	83.17	82.01	91.57 (25/6)	72.30 (4/6)
Japan‡ (m)	359.61	357.29	399.61 (1/8)	322.28 (6/1)
Singapore (n)	261.76	261.80	266.16 (6/3)	258.35 (2/1)

	Sept. 1	Pre-vious	1976 High	1976 Low
Spain (p)	81.20	81.89	106.79 (7/6)	81.30 (1/9)
Sweden (q)	434.05	430.53	476.98 (10/8)	388.06 (19/1)
Switz'rl'd (r)	277.8	279.6	296.5 (12/5)	275.4 (4/6)

Indices and base dates (all base values 100 except NYSE All Common—50, and Standards and Poors 10): (a) Sydney All Ord. (b) Belgian SE 31/12/63. (d) Copenhagen SE 1/1/73. (e) Paris Bourse 1961. (f) Commerzbank December, 1953. (g) Amsterdam Industrial 1970. (h) Hang Seng Bank 31/7/64. (k) Milan 2/1/73. (m) Tokyo New SE 4/1/68. (n) Straits Times 1966. (p) Madrid SE 31/12/74. (q) Stockholm Industrials 1/1/58. (r) Swiss Bank Corp. 31/12/58. (u) Unavailable. ‡ Excluding bonds. * 400 Industrials. † 400 Inds., 40 Utilities, 40 Finance and 20 Transport. (c) Closed.

Sterling easier

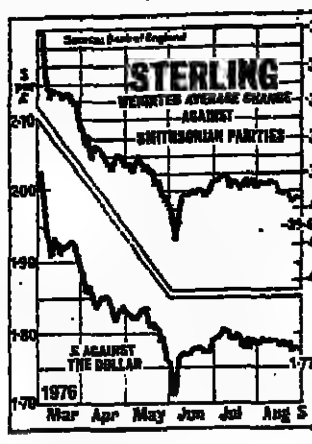
Sterling tended to ease against the U.S. dollar and most other major currencies in fairly quiet trading in the foreign exchange market yesterday. The pound closed at $1.7745-1.7755, a fall of 25 points on the day, but there was no sign of any particular pressure on the currency. It is possible that the Bank of England intervened to steady the decline, with sterling touching a low level for the day of $1.7735-1.7745. The pound's trade-weighted average depreciation since the Washington Currency Agreement, as calculated by the Bank of England, widened to 39.6 per cent. from 39.4 per cent., after standing at 39.6 per cent. at noon and 39.4 per cent. in early dealings.

The West German mark gained ground against the dollar, and the weaker members of the European joint float agreement also improved, keeping the pressure off joint float limits. The D-mark closed at DM2.5205 in terms of the dollar, compared with DM2.5285 previously, while the Belgian franc and Danish krone were also stronger in terms of the U.S. unit.

The French franc improved to F.Frs.4.9257½ against the dollar, compared with F.Frs.4.9310 on Tuesday and the Canadian dollar met increased demand related to grain sales and recent Canadian bond issues. The Dutch guilder remained firm, closing at Fls.2.6315 in terms of the dollar compared with Fls.2.64175 previously and there were indications that the Dutch central bank bought dollars to stem the rise.

The dollar's trade-weighted depreciation, since the Washington Agreement, as calculated by Morgan Guaranty of New York, widened to 2.34 per cent. from 2.31 per cent.

Gold gained $1¼ to close at $105¾-106, after recovering $1.7 at the afternoon fixing from the morning level of $104.00. Moderate buying in a market which lacked selling interest was reported as a reason for the rise.



SPECIAL DRAWING RIGHT RATES

One SDR is equal to	Sept. 1	Aug. 31
Sterling	0.648454	0.648467
U.S. dollar	1.15120	1.15077
Belgian franc	44.6320	44.7362
Deutschemark	2.90448	2.90788
French franc	5.66362	5.66150
Italian lira	967.900	967.855
Japanese yen	332.697	332.285
Dutch guilder	3.03341	3.04436
Swedish krone	5.05263	5.06051
Swiss franc	2.84807	2.85126

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

GOLD MARKET

	Sept. 1	Aug. 31
Gold Bullion (a fine ounce)		
Close	$105¾-106	$103¾-104¼
Opening	$103½-104¼	$103-103¾
Morning fix'g	$104.00 (£58.598)	$103.05 (£58.047)
Afterno'nfx'g	$105.70 (£59.556)	$104.00 (£58.549)
Gold Coins domestically		
Krugerrand	$107½-109¾ (£60¾-61¾)	$107-109 (£60¼-61¼)
NewSov'r'gns	$38-40 (£21½-22½)	$37¾-39¾ (£21¼-22¼)
Old Sov'r'gns	$35¼-38¼ (£20½-21½)	$35¼-38¼ (£20½-21½)
Gold Coins (Intern'nal'y)		
Krugerrand	$108-110 (£61-62)	$107-109 (£60¼-61¼)
NewSov'r'gns	$38-40 (£21½-22½)	$37¾-39¾ (£21¼-22¼)
OldSov'r'gns	$34½-36½ (£19½-20½)	$34-36 (£19-20)
$20 Eagles	$181-184	$180-183
$10 Eagles	$93½-96½	$93½-96½
$5 Eagles	$63-66	$63-65

FOREIGN EXCHANGES

Sept. 1 1976	Bank Rates %	Market Rates Day's Spread	Market Rates Close
New York	5½	1.7735-1.7785	1.7745-1.7755
Montreal	8½	1.7515-1.7565	1.7530-1.7540
Amsterdam	6½	4.66-4.70	4.66½-4.67½
Brussels	8	68.55-69.15	68.70-68.80
Copenhagen	8½	10.73-10.77	10.73½-10.74½
Frankfurt	3½	4.46½-4.50	4.47-4.48
Lisbon	6½	55.10-56.50	55.15-55.85
Madrid	7	120.30-120.90	120.40-120.60
Milan	12	1,490-1,495	1,490½-1,492½
Oslo	5	9.76-9.78	9.76½-9.77½
Paris	9½	8.73½-8.76	8.74-8.75
Stockholm	6	7.79-7.82½	7.79½-7.80½
Tokyo	6½	508-518	512-514
Vienna	4	31.60-32.00	31.65-31.85
Zurich	2	4.38-4.41	4.38½-4.39½

* Base discount. ‡ Rates given are for convertible franc; financial franc 70.65-70.55.

OTHER MARKETS

		‡Notes Rates	
♦Argent'na	248.57-248.77	Argentina	450-500
Australia	1.4179-1.4325	Austria	31-32
Brazil	19.68-19.88	Belgium	70½-72½
Finland	6.90-6.91	Brazil	24-26
Greece	64.495-66.495	Canada	1.74-.76
Hng Kong	8.6700-8.6975	Denmark	10.55-.85
Iran	122-128	France	8.65-8.95
Kuwait	9.512-0.522	Germany	4.40-4.55
Luxembg.	68.74-68.81	Greece	64-67
Malaysia	4.4530-4.4650	Italy	1470-1520
N. Zealand	1.7652-1.7792	Japan	505-525
Saudi Arab	6.22-6.32	Netherl'ds	4.60-4.75
Singapore	4.3690-4.3785	Norway	9.70-9.90
S. Africa	1.5353-1.5517	Portugal	54-58
U.S.—		Spain	117½-121½
Canada		Switz'land	4.30-4.45
C$1—		U.S.	1.77-78
U.S. cents	102.38-102.41	Yugosla'ia	34-35

* Base discount. ‡ Given rates are for dealrон. ♦ Rate given is Official Rate BCRA rate 429.45-429.63.

EXCHANGE CROSS-RATES

Sept. 1	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Fr'nkfu't	—	2.5200-15	51.10-25	6.495-510	4.465-485	95.72-87	101.90-05
N. York	39.67-69	—	20.32-35	2.5855-33	1.7752-7759	37.94-97	40.45-49
Paris	195.10-60	4.9217-9317	—	12.702-727	8.734-75	186.375-23	192.35-36
Brussels	15.35-39	36.75-80	7.56-59	—	68.75-89	14.70-74	15.65-70
London	4.47-48	1.7745-55	8.74-75	68.70-90	—	4.664-674	4.38½-39½
Am'rd'm	104.385-435	2.6337-62	53.435-435	6.7945-95	4.6735-65	—	106.605-555
Zurich	98.05-11	2.4702-12	50.15-30	6.3725-75	4.3880-55	93.87-23.94	—

U.S. $ in Montreal: U.S. $=97.72-74 Canadian cents.
Canadian $ in New York: C $=102.40-46 U.S. cents. U.S. $ in Milan 840.0-04.
Sterling in Milan 1489.60-90.16.

EURO-CURRENCY INTEREST RATES*

Sept. 1 1976	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W.German mark	Swiss franc
†Short term	11⅛-11½	5-5¼	8⅛-8½	20-25	4¼-4⅜	⅛-¾
7 days notice	11¼-12	5⅛-5⅜	8⅜-8¾	20-25	4⅛-4⅜	¾-1
Month	12⅝-13⅛	4⅞-5⅛	8¼-8⅝	18¾-18¾	4¼-4⅜	1⅛-1⅛
Three months	16⅛-13⅝	5½-5¾	8¼-8⅝	14½-15½	4⅜-4½	1⅛-1⅜
Six months	13⅞-14⅜	5⅞-6⅛	8⅝-8¾	11½-12½	4⅞-5	2-2⅛
One year	14-14½	6⅛-6¾	8⅞-9⅛	10-11	5⅛-5⅜	2⅛-2⅜

Euro-French deposit rates: two-day 9½-9¾ per cent.; seven-day 9¾-9¾ per cent.; one-month 9¾-10 per cent.; three-month 10¼-10½ per cent.; six-month 11¼-11½ per cent.; one year 10¾-11¼ per cent.

Longer-term Eurodollar deposits: two years 7½-7¾ per cent.; three years 7¼-8¼ per cent.; four years 8¼-8½ per cent.; five years 8¼-8½ per cent.

The following nominal rates were quoted for London dollar certificates on deposit: one-month 4¾-5 per cent.; three-month 5¼-5½ per cent.; six-month 5¾-5¾ per cent.; one year 6¼-6½ per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars, two-days' notice for guilders and Swiss francs.

FORWARD RATES

—	One month	Three months
New York	1.30-1.20 c.pm	3.50-3.40 c. pm
Montreal	0.65-0.55 c.pm	1.80-1.70 c. pm
Amst'dam	2¼-3¼ c. dis	1½-2½ c. dis
Brussels	15-35 c. dis	30-50 c. dis
Cop'nhg'n	3¼-5¼ ore dis	4¼-6¼ ore dis
Frankfurt	3¾-2¾ pf. pm	10⅜-9⅜ pf pm
Lisbon	20-70 c. dis	75-125 c. dis
Madrid	425-525 c. dis	720-820 c. dis
Milan	20-25 lire dis	62-72 lire dis
Oslo	3¾-1¾ ore pm	9¼-7¼ ore pm
Paris	3¼-2¼ c.pm	7¼-6¼ c. pm
Stockh'lm	2½-1½ ore pm	5¾-4¾ ore pm
Vienna	25-15 gro pm	65-55 gro pm
Zurich	4¾-3¾ c. pm	13½-12½ c. pm

Six-month forward U.S. dollar 6.80-6.70c. pm and 12-month 12.30-12.30c.

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—108%. (110¼%)

NEW YORK

Stock	Sept. 1	Aug. 31
Corning Glass	76	75¼
CPC Int'nation'l	45⅛	45⅛
Johns Manville	28⅛	28⅛
Johnson Johnson	90½	89
Republic Steel	34⅛	34⅛
Revlon	56⅛	56⅛
Xerox	65	65⅛
Zapata	12½	12½

GERMANY ♦

Sept. 1	Prices Dm.	+ or —	Div. %	Yld. %
A.E.G.	86.2	-0.7	—	—
Allianz Versich.	419	-2	18	2.1
B.M.W.	220	-0.5	18	4.1
B.A.S.F.	157.1	-0.2	14	4.5
Bayer	128.5		17	6.2
Bayer Hypo	278		20	3.6
Bayer Vereinsbk.	289		20	2.9
Commerzbank	187.6	-1.6	18	4.8

MILAN

Sept. 1	Price Lire	+ or —	Div. Lire	Yld. %
Alitalia Priv.	650		—	—
ANIC	557	-8	—	—
Ausonia Fin	3,600		120	3.7
Bastogi	1,070		—	—
Breda	2,470	+90	165	6.0
Burgo	9,190	-50	—	—
Cantoni	6,750	-5	—	—

AUSTRALIA

Sept. 1	Aust. $	+ or —
Acrow Australia	†0.55	-0.05
Adelaide Brighton Cement 50c	†1.30	
Allied Mnfg-Trdg. Indus. $1	1.75	
Ampol Exploration	†1.08	-0.02
Ampol Petroleum	†0.70	+0.05
Assoc. Minerals	†5.25	
Assoc. Pulp Paper $1	†0.97	+0.01
Aust. Con. Industries	†1.75	-0.02

JOHANNESBURG

MINES

September 1	Rand	+ or —
Anglo American Corpn.	3.75	+0.15
Charter Consolidated	†2.90	-0.10
East Driefontein	6.60	+0.25
Elsburg	1.10	+0.07
Harmony	3.70	+0.25
Kinross	2.80	+0.05
Kloof	3.30	+0.20
Potgietersrust Platinum	2.10	

PARIS

BRUSSELS/LUXEMBOURG

SWITZERLAND ♦

AMSTERDAM

TOKYO ¶

COPENHAGEN

STOCKHOLM

VIENNA

OSLO

CANADA

SPAIN ▼

NOTES: Overseas prices exclude $ premium. Belgian dividends are after withholding tax.

FARMING AND RAW MATERIALS

India plans 12m. tonnes buffer stock

By Our Own Correspondent

NEW DELHI, Sept. 1.

INDIA PLANS to establish a buffer stock of 22m. tonnes of food grain by 1979.

An official committee has recommended that this should consist of about 12m. tonnes as the main buffer, about 6m. tonnes as a "pipeline stock" and another 4m. tonnes as a "peak level" stock.

The recommendation has come at a time when India for the first time in many decades is actually in a position to build up such a buffer as a safeguard against future crop failures. What is more, this can be done without imports which have now been *stopped*.

At present the Government has already built up a buffer of 17m. tonnes as a result of the record production of 118m. tonnes in 1975-76.

Although this year the monsoon came late and damaged the *kharif* (summer) crop in the southern states of Kerala and Tamilnadu, it has more than made up since then. Another bumper *kharif* crop is thus certain. Since rains are continuing, *this has laid the basis for a good rabi* (winter) crop also. If all goes well there should be *no* difficulty in exceeding last year's record.

At present India is facing the unusual problem of surpluses and has no storage space to stock the food grain available. Much of this is to be kept in imported polythene bags while a crash programme to improve permanent storage facilities is implemented. The planning commission has approved an outlay of 600m. Rupees (about £40m.) for the purpose in the next two years.

Saskatchewan expects record grain crop

REGINA, Sept. 1.

AN ALL-CROP record of 835m. high quality bushels is predicted for Saskatchewan this year, the Saskatchewan Wheat Pool said in its weekly crop report for the period ending August 27. The previous total crop record was 783m. bushels in 1974.

Production and yield estimates for most grains continue to show *slight improvement* over earlier predictions, the report said.

In Winnipeg, the Canadian Wheat Board reduced amber durum wheat prices to bring them in line with competing durums for autumn shipment. *All grades were cut by* 45½ cents a bushel with the key grade of number three amber durum now priced at $3.75½ per bushel, fob St. Lawrence.

Reuter

Talks begin to change EEC sheep policy

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

TALKS WHICH could lead to dramatic changes in the U.K. sheep and lamb market began in Brussels yesterday.

Mr. Gavin Strang, Parliamentary Secretary to the Ministry of Agriculture, met the French and Irish Agriculture Ministers, M. Bonnet and Mr. Clinton, at the Common Market's headquarters *to agree an interim measure for* sheepmeat which could be put before the full EEC Minister's meeting later this month. At present, sheepmeat is not subject to any Community regulation, and each member-country is free to conduct *its own policy*, subject to the Common external tariff against third-country imports.

The three countries most interested — France, Britain and Ireland — have conflicting *national policies. The French*, next to Britain the largest European producers, have a highly protected sheep industry whose prices are maintained at about double the British guaranteed level by means of a levy on imports assisted by market closure if the price in Paris falls below a certain point.

The British sheep price is guaranteed with a deficiency payment which is made when the market falls below the guarantee of 42 pence per lb. In addition, the greater proportion of the New Zealand lamb crop is marketed in *Britain* subject to a duty of 16 per cent. this year which will rise to 20 per cent. at the end of the EEC entry transitional period.

Ireland has the smallest sheep industry, but is anxious to export to the French market without the duties and other obstacles which prevent Irish farmers from enjoying the high French prices.

National terms

The main pressure for a regulation has come from the Irish while the French and British Governments have been quite content in the past to have sheepmeat dealt with on national terms. The British in particular are fearful of any regulation that would raise prices to consumers and would also affect New Zealand exports.

The Irish pressed their case to the European Court of Justice which ruled in effect that any national barriers to intra Community trade would be illegal after January 1, 1978. This the Commission appear to have accepted.

This proposition has alarmed both major countries involved. The U.K. Select Committee on *European Secondary Legislation* reported on June 23 that this regulation could harm both British and New Zealand interests substantially by raising prices towards the generally higher French level. Meanwhile the French were afraid that they would no longer be able to protect their farmers.

As an alternative to a Common price regulation the French Government have proposed an interim sheep meat policy which could run until a Community policy could be agreed by all member countries.

The French suggestion briefly is that National guide prices should be instituted and that trade between the interested countries would be allowed subject to compensatory payments. So that for instance French prices would not be undercut by cheaper imports from other member countries.

The suggestion is that the interim measure would run for five years and be renewable at the end of the *period if* no Common price regulation had been achieved. It would probably be acceptable to the British Government as being a means of keeping food prices down while allowing a continuation of exports. The Irish will be unlikely to agree with good grace because Mr. Mark Clinton, the Irish Minister, is determined to raise the returns from Irish exports to France and would not feel it is in his country's interest to see lamb prices kept down to the British level as they are at present.

Stockpile sales ban boosts metals

BY JOHN EDWARDS, COMMODITIES EDITOR

A MOVE to kill proposals for U.S. stockpile sales of surplus silver, *tin and antimony boosted* metal prices on the London markets yesterday.

Reuter reported from Washington that a House Armed Services sub-committee had voted to delete the section from a stockpile disposal Bill which would have authorised sales of 118m. troy ounces of silver, 28,000 long tons of tin and 10,000 short tons of antimony.

Silver prices, which opened lower, jumped sharply on the stockpile news, and unsubstantiated rumours that the International Monetary Fund might cancel the forthcoming gold auction.

The spot silver quotation on the *London bullion market*, which was cut by 0.9p to 230.4p an ounce, in dull trading conditions, quickly rallied in the afternoon following the stockpile report to close around 238p.

Tin prices also jumped on the London Metal Exchange, with *the cash quotation gaining £72.5* to £4,540 a tonne.

Copper reflected the upward trend in silver, and cash wirebars closed £4.25 higher at £847.75 a tonne.

Meanwhile, the House Armed *Services Subcommittee did vote* to authorise the sale of some 8.5m. carats of industrial diamonds from the national stockpile. The proposed Bill links the diamonds sale with a provision that all receipts from the sale should be channelled into a special fund that could be used for future stockpile purchases.

Recently it was confirmed that the U.S. Administration had altered the stockpile requirements to cover holding sufficient *supplies of strategic materials* needed for a three-year war. This revised the previous Nixon Administration bid to cut stockpile holdings down to one-year requirements.

Go-ahead for cocoa agreement

By Our Commodities Staff

African state members of the Cocoa Producers Alliance have agreed to sign the International Cocoa Agreement, due to come into force on October 1, Abdoulaye Sawadogo, Ivory Coast agriculture minister said Reuter from Abidjan.

He said, however, the producers, have given themselves one year to September 1977 to put their demands for an increase *in the Agreement's price* range to more reasonable levels narer the market values.

The existing price range under the Agreement, negotiated last October, is 39 to 55 U.S. cents a lb while market values are now well above 100 cents and still rising.

A special meeting of the International Cocoa Council has been called for September 31 when delegates will review price developments since last *October*. But the Agreement already contains a clause allowing for the price range to be reviewed within the first year of operation.

Now that the Ivory Coast has dropped its opposition to *joining the Agreement in* favour of negotiating from within, there seems little doubt the pact wil come in force.

Sugar values drift lower

By Our Commodities Staff

SUGAR FUTURES on the London terminal market dipped yesterday. Although the London daily raw sugar price was unchanged at £127 a ton, terminal values drifted downwards and the December position closed £5.95 down at £148.175 a ton.

Among the "bearish" factors influencing the market was the sale of a cargo of Thailand sugar *to Sri Lanka at a fairly low* price, the continuation of rain in some parts of the U.K. which may boost beet crop prospects, and the announcement by the EEC Commission that it had authorised sales of 8,750 tonnes *of sugar at its weekly export* tender compared with only 2,000 tonnes a week ago.

Meanwhile, Reuter reported from Rio de Janeiro, that Brazil is holding two days of talks with Latin American sugar producers *on the current state of the sugar* trade, Sugar and Alcohol Institute (IAA) exports director, Alberico Teixeria Leite, said.

He added that Brazil invited those producers who have stocks available for sale immediately or *in* the near future, namely Argentina, Colombia, Dominican Republic and Peru. Cuba and Mexico will not take part because they do not have such stocks.

U.S. aluminium production rise

PITTSBURGH, Sept. 1.

ALUMINUM CO. of America (Alcoa) is reactivating idle capacity at three locations over *the next two months* because of increased demand.

Alcoa said its largest primary aluminium smelter in Rockdale, Texas, will resume full production and it will restart one of six idle potlines at its Point *Comfort, Texas, operations.*

Alcoa said its bauxite refining facility in Mobile, Alabama, also is being restored to full production.

With the completion of these moves, Alcoa said its U.S. refin*ing plants will be operating* at full levels and all its U.S. smelters, except Point Comfort, will be back to near capacity operation.

Reuter

U.K. TIMBER

Growing glut of elm threatens market

BY A CORRESPONDENT

BOTH the Forestry Commission and the timber trade have been disarmingly frank about their efforts to shift the huge volume of dead wood that has built up in the wake of Dutch elm disease.

So far, more than 6m. trees have died in what has been described as "a biological disaster of unprecedented magnitude." The fear is now that, unless the *disease is halted, disaster may* not be confined to the environment.

The Forestry Commission estimates that over the next five years twice as much elm of sawmill quality will come on to the *market compared to last year.* It says that the market may not be able to absorb it.

Selling

Mr. John Alsford, president of the Home Timber Merchants Association, agrees. "We have got the problem of selling a large quantity of elm," he told a luncheon at Guildhall in London. "And to-day that really means selling."

The task of promoting sales is handled by the Elm Marketing Group, a non-trading body set up by the Forestry Commission, HTMA and the Timber Trades Federation six months ago. Since then, there has been a marked increase in inquiries although sales are still slow. They are certainly not fast enough to clear the enormous backlog or to make much of an impression on the landscape.

The chairman of the Elm Marketing Group, Mr. Jeffrey Agate, a timber merchant of Horsham, Sussex, has written to the 650 local authorities and statutory bodies in Britain, urging them to use elm.

The group has produced a leaflet showing what can be done with elm and this is being sent out along with a brochure from the Building Research Establishment. They point out that elm is versatile and can be used for almost anything—from joinery to civil *engineering. It is not* good only for coffins.

One minor complication is that nobody really knows the current value of elm, partly because of the wide range of qualities. Prices vary enor*mously between sawmills,* ranging from virtually nil to £1 a cubic foot. One merchant discovered accidentally that he was undercutting a competitor by 50 per cent.

Nor does anybody really know how many trees are involved. Of the 6m. killed so far in southern and eastern England, some 5m. are still standing—although not all are suitable for sawn timber.

The danger, as the Forestry Commission sees it, is that there will be little incentive to remove the dead trees if the price of timber falls to an unrealistic level. In most cases, the cost of felling exceeds the value.

Local authorities have the power to enforce owners to fell trees that become dangerous, but most seem reluctant to use the power. Most have removed the dead wood at public expense.

The disease could not have come at a worse time for the timber trade. The downturn in the construction industry, coupled with the cutback in local government spending, meant that less timber was being used.

One of the biggest consumers of home-grown timber, the National Coal Board, appears to be biding its time. It is reducing its stocks at a time when the trade feels it could ease the situation by allowing them to revert *to their six-weeks' norm*. Some merchants feel that the Board should be forced to mop up some —and preferably all—of the surplus elm.

It appears that time is on the Coal Board's side. There is a tremendous amount of timber waiting to come on the market and trees are dying at the rate of several thousands a day. (The recent hot weather hasn't helped.) Few people expect more than a handful of the 22m. elm trees in Britain to survive.

Material

Yet the trade is determined not to create a situation where there is "a lot of cheap wood about." Apart from the obvious *commercial dangers*, it would defeat the environmental aspects of the exercise.

Mr. Alsford feels that the problem must be tackled by importers, merchants and home-grown timber merchants. He rejects the idea of import controls and hopes that importers will look upon elm with a more open mind.

"Elm is a good enough material in its own right," he said. "What must be done is to explore the wider uses to which it can be put."

Danish pig output fall

BY HILARY BARNES

COPENHAGEN, Sept. 1

DANISH PIG slaughtering in the next few months will be about 12,000 fewer a week than estimated earlier this year, bringing the total number of pigs slaughtered this year to 9.5m. compared with earlier forecasts of 9.88m., according to the Bacon Factories Export Association.

The Association has revised its estimates following errors in the pig census, which is based on a sample survey. A census taken on July 30 showed a small increase in the number of pigs over the past 12 months, but a 2 per cent. decline in the number of sows registered in the April pig census.

The bacon factories are receiving about 10,000 fewer pigs a week than expected after the April census. It is now expected that third-quarter slaughterings will average *179,200*, compared with the earlier forecast of 191,300, fourth-quarter slaughterings will be 184,500 against 195,600, and in the first quarter next year slaughterings will be 187,500 compared with the previous forecast of *210,700*.

A spokesman for the Export Association said the situation would not affect supplies to the British market.

GUERNSEY NETS MORE FISH

By Our Own Correspondent

IN ITS annual report published yesterday Guernsey's Sea Fisheries Committee revealed that the value of all fish caught by the local inshore fishing fleet in 1975 totalled *£750,000*—an increase of £250,000 on the previous year.

SORGHUM FUTURES

KANSAS CITY, Sept. 1.

Trading in sorghum futures was due to open to-day at the Kansas City Board of Trade with the opening bell at 10 a.m.

Reuter

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Firmer on the London Metal Exchange after a hesitant start. Opening at £875, forward metal drifted in a depressed market to £868. In the afternoon, prices firmed in response to the strong performance of silver after the news that sales of the latter metal would not be made from the U.S. stockpile, [illegible]

TIN—Gained ground after the news that sales would not be made from the U.S. [illegible]

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
Wirebars				
Cash	842.5-3	+5.5	847.5-8	+4.25
3 months	872.5-3	+5.5	877.5-8	+4.5
Settlem'nt	843	+5.5	—	......
Cathodes				
Cash	829.5	+4	838.5-9	+7.25
3 months	859.5	+4	867.5-8	+7
Settlem'nt	829.5	+4	......	......
U.S. Smt.	—	......	*74	......

New York — ...... 368.50 +2.0

...stockpile. Trading as never more than steady and conditions were quiet. Forward metal opened at £4,580 and traded at slightly above that level in the first ring. Prices fluctuated between £4,630 and £4,600 on the second ring and went higher on the Kerb to close at £4,665. Turnover 1,100 tonnes.

LEAD—Little changed after an uneventful trading session. Volume was light but prices tended to follow the pattern of other metals. [illegible]

ZINC [illegible]

SILVER [illegible]

COCOA [illegible]

FREIGHTS [illegible]

COFFEE [illegible]

RUBBER [illegible]

SOYABEAN MEAL [illegible]

GRAINS [illegible]

LONDON GRAIN FUTURES MARKET (GAFTA)—Wheat, steady. [illegible]

SUGAR [illegible]

WOOL FUTURES [illegible]

JUTE [illegible]

PALM OIL [illegible]

MEAT/VEGETABLES

SMITHFIELD (pence per pound)—Beef: Scottish killed sides 42.5 to 45.5; English hind quarters 50.0 to 53.0; Ulster hind quarters 50.0 to 53.0, fore quarters 31.0 to 34.0; Eire hind quarters 50.0 to 52.0, fore quarters 32.5 to 33.0. [illegible]

... (+1.19); Sheep down 0.6 per cent., average 44.3p (+3.7); Pigs up 34.8 per cent., average £4.45 (+0.14). Scotland—Cattle down 21.8 per cent., average £37.17 (−0.15); Sheep up 22.7 per cent., average 36.1p (−0.3); Pigs up 39.4 per cent., average £4.04 (−0.40).

★

COPRA, Philippines—Sept.-Nov. $320 resellers, a tonne, cif North European ports.

★

COTTON—Liverpool: Spot and shipment sales amounted to 348 tonnes, bringing the total for the week so far to 270 tonnes. Spinner demand was restricted and only modest contracts were arranged. Most interest was again displayed in Turkish and Russian qualities, although support was forthcoming in certain East African styles.

MARKET CHANGES

NEW YORK, Sept. 1.

The U.S. Commodity Futures Trading Commission (CFTC) approved longer hours for trading in the New York coffee market, an extension of the period for trading in coffee contracts to 18 months from the present 13 months, and a limit on trading to the delivery months of March, May, July, September and December. The changes will take effect from Septemb r 2.

PRICE CHANGES

Prices per ton unless otherwise stated.

	Sept. 1 1976	+ or —	Month ago
Metals			
Aluminium (a)	£567.5	+41	£526.6
Free Market (cif)	[illegible]	—10	$950-970
[illegible]	[illegible]	[illegible]	[illegible]

FINANCIAL TIMES

Sept. 1	Aug. 31	Month ago	Year ago
264.80	252.70	428.45	178.58

(Base: July 1, 1952=100)

REUTER'S

Sept. 1	Aug. 31	Month ago	Year ago
1465.2	1471.3	1467.5	1158.1

(Base: September 18, 1931=100)

DOW JONES

Dow Jones	Sept. 1	Aug. 31	Month ago	Year ago
Spot	349.38	357.30	340.22	315.67
Futures	342.83	339.73	330.96	297.87

(Average 1924-25-26=100)

MOODY'S

Moody's	Sept. 1	Aug. 31	Month ago	Year ago
Sple Comm'ty	869.4	45.4	815.5	787.7

(December 31, 1931=100)

★

GRIMSBY FISH—Supply fair, demand good. (*Prices at ships' side, unprocessed, per stone*): Shelf cod £2.80-£4.00, codlings £2.40-£3.00; shelf haddock large £3.20-£3.50, medium £2.40-£3.00, small £1.70-£2.30; large plaice £3.60, medium £3.20-£3.80, best small £2.90-£3.40; skinned dogfish medium £4.80, large £5.80; lemon soles £4.80-£5.00; rock fish £2.00-£2.50; reds £1.10; saithe £1.30-£1.50.

U.S. Markets

Sales ban lifts gold and silver

NEW YORK, Sept. 1.

SILVER closed strong on reports that a House sub-committe voted 5—4 against approving sales from national stockpiles attracting aggressive Commission House short covering. Gold and copper closed higher following silver's strength. Coffee finished higher on trade buying. Cocoa finished strong in light volume on Commission House and light arbitrage buying, Bache reports.

Cocoa—Ghana spot 126½ (123). Bahia spot 119½ (116). Sept. 114.25 (110.75), Dec. 111.70 (108.10), March 106.00, May 101.65, July 96.00 nom., Sept. 94.40 nom., Dec. 89.45. Sales: 887.

Coffee—"C" Contract: Sept. 167.50 asked (164.80), Dec. 149.90-150.00 (147.90), March 142.30-142.60, May 141.00-141.30, July 140.80-141.05, Sept. 140.55-140.80. Sales: 887.

[illegible]

LG. INDEX 01-351 3466 GOLD 104-107

STOCK EXCHANGE REPORT

British Funds improve afresh but equities becalmed

Share index 0.3 up at 351.1—Late advance in Golds

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Aug. 23	Sep. 2	Sep. 3	Sep. 14
Sep. 6	Sep. 16	Sep. 17	Sep. 28
Sep. 20	Sep. 30	Oct. 1	Oct. 12

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

A modest improvement in British Funds and late support for Gold mining shares provided light relief in stock markets yesterday. Scattered demand in thin trading conditions left Gilts with gains ranging to ½ and the Government Securities index rose 0.14 to 61.86. A rise of $1.50 to $105.625 per ounce in the price of bullion encouraged fresh U.S. support for Golds and some fairly substantial gains were reflected in the improvement of 8.5 to 95.7 in the Gold mines index for a two-day rise of 11 points.

Elsewhere, activity in leading Industrials was down to a trickle—official markings of 3,972 compared with 4,116 on Tuesday and 4,311 a week ago—and in some cases prices barely stirred from the overnight closing levels. A few small improvements at the start were soon erased and thereafter movements were almost non-existent. Up 0.7 at 10 a.m., the FT 30-share index ended 0.3 higher on balance at 351.1. The recent gloomy economic forecasts continued to inhibit buyers, while there was also a marked reluctance to deal in front of to-day's ICI's half-yearly results.

Apart from a few features in response to company trading statements, movements were few and far between in secondary issues. Falls led rises by 7—1 in FT-quoted Industrials, but the FT-Actuaries All-Share index hardened 0.2 per cent. to 144.39.

Gilts extend rise

Gilt-edged extended Tuesday's late upward movement and, although business was generally regarded as small, several high-coupon long issues made gains on the day of ½. A few near-mediums rose ½, while other improvements were mostly of ⅛. The shorts, unlike the longer end of the market, became a little uncertain after a firm opening and managed net rises of ⅛ only; selected low-coupon stocks averaged slightly more through suspected switching out of equities. The news that the Government will ask for an extension of the $5.3bn. stand-by credit probably had some influence on the market which is patiently awaiting indications of the Government's funding tactics.

Renewed offerings from widespread arbitrage sources found few buyers operating late in the investment currency market and the premium fell to 107¼ per cent. before closing a net 2¾ points down at 108 per cent. Yesterday's SE conversion factor was 0.7003 (0.6901).

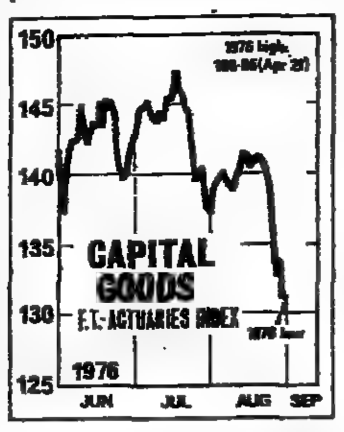
In recent editions, London prices of Continental Oil and Crown Zellerbach have been transposed; the respective levels yesterday were Continental Oil, £29⅞, and Crown Zellerbach, £33⅞.

Recent Equities saw a recovery of 2 to 192p in Hambro Life Assurance following the previous day's decline of 5. Reflecting the weakness of the dollar premium, Dentsply International Inc. eased ½ to £26⅞.

Matthews Wrightson up

Contrasting reactions to half-year trading statements from Matthews Wrightson and Alexander Howden provided the Insurance sector with its main talking point yesterday. First-half profits nearly 87 per cent. higher gave a fillip to Matthews Wrightson, which closed 12 better at 185p in a thin market. Alexander Howden, on the other hand, ended 2 off at 129p despite good interim figures; the absence of a "rights" issue might have had some effect on sentiment. Elsewhere, Composites were a shade harder with the exception of Sun Alliance, 5 off at 385p.

Bank dealers reported a very quiet trade in the big Four Banks which managed to close slightly firmer for choice. Barclays hardened 2 to 242p as did Lloyds, 205p, and Midland, 250p. Firm performers of late, overseas issues suffered a slight reaction with ANZ 7 lower at 373p and Bank of New South Wales 5 down at 535p. A shade harder at the "House" close, Hongkong and Shanghai slipped in sympathy with the dollar premium to close a penny off at 312p, after 316p. Elsewhere, in front of their respective trading statements to-day, Guinness Peat improved 2 to 165p and Provident Financial edged forward a penny to 35p.



Improvements of a penny or so were the order of the day in the Drinks sector after a small trade. Allied and Distillers both ended a penny better at 62p and 115½p respectively.

Buildings were idle and rarely changed following consideration of the uninspiring July house-building figures. A. V. Jennings declined 5 to 155p, while UBM, 41p, and Marchwiel, 90p, shed 2 apiece. Of the few firm spots, J. Jarvis, 110p, and Ellis and Everard, 78p, both closed 2 harder.

After improving to 74p in front of the interim report, Albright and Wilson moved further ahead to 78p on the better-than-expected first-half profits before closing a net 4 higher at 76p. ICI finished unchanged at 326p, after 327p, in front of to-day's interim results; stockjobbers anticipate pre-tax profits in the region of £245-250m.

Television Contractors had an easier bias, Associated "A" giving up a penny at 60p and Westward losing ½ at 16p.

Decca please

Decca were the star turn in otherwise listless Electricals, the Ordinary rising 10 to 200p and the "A" gaining 12 to 196p on the much better-than-expected preliminary figures. Elsewhere, Philips' Lamp, at 385p, gave up 12 of the previous day's gain of 42. Henry Wigfall reacted 4 to a 1976 "low" of 119; sentiment was unsettled by the Board's statement that the results had been deferred. A.B. Electronics eased 2 to 55p, as did Dorman Smith to 98p, while Brocks Group lost a fraction more at 40p, the last-named on further consideration of the interim report. The leaders moved narrowly and closed at, or near, overnight levels. EMI were a steadier market following Press comment, hardening to 210p before closing unchanged on the day at 199p.

Stores once again had little to commend them. Marks and Spencer held at 94p, while UDS, 64p, and "Gussies" "A", 175p, both closed a penny harder. Among secondary issues, W. L. Pawson were notable for a reaction of 2 to 9p on the disclosure of an increased first-half loss. K. O. Boardman International, however, managed to close fractionally better at 7½p, following the chairman's annual statement. Jewellery concerns had Ratners and James Walker Non-Voting a penny better at 40p and 33p respectively. Mail Orders were idle and closed with little alteration.

Engineerings failed to establish a set direction and while Simon moved up 4 to 117p, Peter Brotherhood came back 3 to 78p. Leading issues were finally little changed, Tube Investments closed 2 better at 324p, but Hawker unaltered at 386p despite hopes for further European A-300 Airbus components orders. Martonair, 106p, and Dunford and Elliott, 29p, down 3 and 2 respectively, both made fresh lows for the year, while RCF Holdings gave up 2 to 28p. On a more cheerful note, Whessoe were favoured and rose 3 to 43p, while Babcock and Wilcox recovered 1 to 84p. Investment recommendations failed to move either Howden, 81p, or General Engineering (Radcliffe), 17p.

Foods had a good late spot in Manbre and Garton, which improved 4 to 162p on speculative interest following the announcement that Tate and Lyle (unchanged at 230p) is extending its bid until September 10 in view of the fact that the Prices Secretary has made no decision about whether the offer should be referred to the Monopolies Commission. Bejam closed a penny better at 66p following a report that there has been a big increase in demand for freezers because of the hot weather and drought. Easier spots included J. Lyons, a penny off at 73p, and Cavenham, 2 lower at 101p.

Press comment on the interim figures directed fresh attention to Ladbroke, which hardened 2 to 86p. Jacques Borel finished 1½ points harder at £48, while Grand Metropolitan, 64p, and Trust Houses Forte, 88p, both closed a penny firmer.

Scot. Heritable good

A shade firmer at the start, the miscellaneous Industrial leaders drifted lower on lack of follow-through support to close narrowly mixed. Ahead of to-morrow's interim figures, Bowater hardened a penny to 176p. Second-line issues contained a few firm features, notably Scottish Heritable Trust which rose 4½ to 22p after-hours on news that Mr. M. Green has joined the Board and in doing so, has acquired a further 400,000 shares in the company at 25p per share from the chairman taking his total shareholding to 11½ per cent. Press comment drew buyers' attention to English China Clays and Coral Leisure, both of which closed 2 better at 72p and 96p respectively. Comment on the first-half figures helped Baxter Fell rally 3 at 91p, while Development Securities found support at 393p, up 4. Barlow Rand improved 9 to 146p and A. Kershaw put on 14 to 350p in a thin market. By way of contrast, United Industrial eased a shade to a 1976 low of 4½p after adverse comment, while losses of 3 were seen in Allied Polymer, 42p, Gomme, 68p, and Wilkinson Match, 129p.

Motors and Distributors marked time in quite trading. British Leyland, 27p, and Lucas Industries, 100p, both closed without alteration despite their respective labour problems. Pride and Clarke rallied 4 to 100p in Garages, where Lookers and Appleyard both closed a penny cheaper at 24p and 55p respectively. Lyon and Lyon, at 29p, were steady in front of to-day's interim report.

Paper/Printings steadied after the recent easiness with Inveresk, 54½p, and DRG, 97p, both regaining a penny or so. Of the few exceptions to the trend, Hindson Print were lowered 3 to 40p in a thin market. Apart from United, which eased 2 further to 228p, Newspapers were also more settled. Elsewhere, A. and C. Black reacted 3 to 40p.

Burmah rally

Burmah received a much needed fillip from the satisfactory conclusion of the Indonesian liquid natural gas transportation agreement and closed 3 better at 34p. Other Oils opened firmly, then became a little indecisive and finally settled at around the overnight closing levels. Shell fluctuated between 400p and 394p before ending unchanged at 398p, while British Petroleum eased 2 to 563p in front of to-day's interim results. Royal Dutch again warmed to U.S. market trends and, despite the fresh fall in the investment dollar premium, gained ½ more to £38½. Berry Wiggins were hit by revived rumours of current trading problems and lost 4 to a fresh low for the year of 25p; the half-yearly figures are due later this month.

Light selling in the absence of any support uncovered a technical position in Properties which made the market even more sensitive. As a result, losses extended to double figures in the case of Hammerson "A," down 10 at 335p, while Great Portland fell to 213p before closing a net 6 lower at 216p. MEPC finished only 1 easier at 66p after 64p, and Land Securities shed 3 to 151p, after 150p. Elsewhere, Haslemere Estates, 175p, Stock Conversion, 156p, and Slough Estates, 75p, all came 3 cheaper. Regalian were upset by the gloomy preliminary statement and closed 2 down at 4p.

A mixed trend was again evident in Overseas Traders after a small trade. Steel Bros. were a dull spot at 196p, down 7, and S. and W. Berisford cheapened 2 to 140p.

Investment Trusts passed a quiet session with the closing trend being narrowly mixed. Small selling in a market lacking support left Cumulus 2 down at a two-year low of 12p, while Estates House were also friendless at 181p, down 4. West of England, in Financials, hardened a penny to 29p on the results, while Dalgety improved 3 to 224p and Nippon Fund Sterling put on 12 to 177p.

Shippings contained several small losses, including British and Commonwealth, which cheapened 3 to 203p, and P & O Deferred, 2 off at 102p.

George Spencer featured Textiles, rising 10 to a 1976 peak of 35p to match the bid terms offered by Nottingham Manufacturing, a penny better at 63p.

BATs Deferred remained unaltered at 200p following active trading, while the Ordinary also closed unchanged at 232p, after having recorded a fresh 1976 low of 230p.

South Africa nIndustrials presented a firm appearance. Hulett's Corporation moved up 5 to 115, while gains of 7 were seen in Abercom Investments, 150p, and Primrose, 97p. O.K. Bazaars were raised 10 to 400p and Tiger Oats advanced 13 to 410p.

Plantations edged higher in places. Guthrie hardened 2 to 169p.

Golds sharply higher

Tuesday's rally in South African Gold shares gathered pace yesterday in the wake of the rise in the bullion price, which was finally $1.30 better at $103.625 per oz.

A follow-through of U.S. demand pushed share prices higher, despite the fall in the investment dollar premium. The Gold Mines index advanced 8.5 more to 95.7, making a two-day gain of 11 points.

Among the heavyweight issues, rises ranged to £1½ in Randfontein, £14 after £14½, while West Driefontein and Western Holdings were both around £1¼ higher at £13⅝ and £11⅞ respectively. In the lower priced stocks, Zandpan jumped 18 to 120p and Welkom 20 to 155p.

The marginal Vlakfontein hardened to 34p in front of the news that the company has given the statutory three months' notice of cessation of mining to the Minister of Mines, while "Sallies," which may have to cease operations in March 1977, were unchanged at 66p.

The better trend in Golds spilled over into Financials. GFSA improved 100p to 800p, while following the better-than-expected half-year results, Union Corporation put on 10 to 195p. In the London-based Financials, Gold Fields rose 3 to 138p, after 140p, while Rio Tinto-Zinc closed unchanged on balance at 168p after 166p. De Beers, which is to open up a new small, but good grade, diamond mine in Namaqualand were 6 higher at 208p.

Platinums hardened in sympathy with Golds. Coppers generally improved a few pence, with ZCI 2 up at 26p and Botswana RST a similar amount better at 42p.

Australians were mixed in idle trading. Western Mining lost 7 to 181p and Peko-Wallsend were 10 off at 380p. On the other hand Hampton Areas rose 2 to 99p.

Elsewhere, Murchison, the subject of a Cape demand, advanced 30 to 690p.

FINANCIAL TIMES STOCK INDICES

—	Sept. 1	Aug. 31	Aug. 27	Aug. 26	Aug. 25	Aug. 24	A Year ago
Government Secs.	61.86	61.72	61.74	61.52	61.47	61.66	61.67
Fixed Interest	61.23	61.31	61.26	61.21	61.24	61.57	61.03
Industrial Ordinary	351.1	350.8	352.0	356.3	352.4	357.0	382.1
Gold Mines	95.7	87.2	84.7	86.8	78.8	82.0	302.0
Ord. Div. Yield	6.32	6.33	6.29	6.22	6.26	6.21	6.43
Earnings Y'ld% (full) (a)	18.43	18.46	18.28	18.06	18.25	18.05	18.58
P/E Ratio (net) (a) (b)	8.03	8.02	8.09	8.20	8.11	8.20	7.66
Dealings marked	3,972	4,116	3,779	3,994	4,551	5,299	5,485
Equity turnover £m.	—	28.05	35.32	38.97	38.29	36.44	48.00
Equity bargains total	—	8,825	8,405	9,762	10,202	12,060	12,323

10 a.m. 351.5. 11 a.m. 351.1. Noon 350.8. 1 p.m. 351.4.
2 p.m. 350.8. 3 p.m. 350.8.
Latest Index 01-246 8026.
Based on 52 per cent. corporation tax. (b) Nil=7.97.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

—	1976 High	1976 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	65.21 (30/1)	60.19 (2/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	64.43 (2/2)	59.75 (2/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	420.8 (4/5)	350.8 (31/8)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	245.9 (2/1)	78.8 (25/8)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

—	Sept. 1	Aug. 31
Daily—		
Gilt-Edged	169.2	134.8
Industrials	121.8	127.8
Speculative	47.2	57.2
Totals	90.4	83.7
5-day Av'r'ge		
Gilt-Edged	155.6	156.2
Industrials	128.1	138.5
Speculative	52.0	55.7
Totals	92.9	98.9

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section.

	Equity Groups	Wed. Sept. 1, 1976 Index No.	Day's Change %	Est. Earnings Yield % (Max.) (Corp. Tax 52%)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (Net) (Corp. Tax 52%)	Fct. P/E Ratio (nil) (Corp. Tax 52%)	Tues. Aug. 31 Index No.	Friday Aug. 27 Index No.	Thurs. Aug. 26 Index No.	Wed. Aug. 25 Index No.	Year ago (approx.) Index No.	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (179)	131.05	—	19.15	7.09	7.82	7.75	131.06	133.47	133.86	132.63	117.60	160.06	131.05	206.37	50.17
2	Building Materials (30)	117.80	-0.1	18.05	7.95	7.86	8.86	117.98	118.97	121.30	119.46	109.92	150.18	117.80	233.84	44.27
3	Contracting, Construction (22)	175.25	+0.1	24.50	6.30	6.36	6.56	175.03	176.01	178.94	178.08	212.99	260.20	175.03	389.33	71.48
4	Electricals (16)	232.70	—	19.05	5.71	7.86	7.64	232.61	237.14	239.71	236.70	213.77	267.30	232.61	350.04	86.71
5	Engineering (Heavy) (13)	152.07	-0.6	26.57	6.12	5.85	5.73	151.19	155.77	154.13	150.01	141.82	193.18	150.01	202.67	94.46
6	Engineering (General) (64)	124.30	-0.1	19.08	7.27	7.77	7.76	124.44	125.15	126.00	125.54	100.47	149.29	124.30	168.59	45.14
7	Machine and Other Tools (9)	55.10	-0.5	19.22	8.54	8.22	8.30	55.56	55.84	54.20	54.21	40.21	60.62	51.19	136.70	19.96
8	Miscellaneous (24)	119.56	—	15.92	7.40	9.47	9.19	119.59	120.35	121.29	120.24	101.15	141.94	119.36	177.41	49.65
9	CONSUMER GOODS (DURABLE) (33)	112.32	+0.2	19.50	6.13	7.66	7.64	112.12	112.96	114.56	113.51	92.11	141.46	112.12	227.78	38.39
10	Lt. Electronics, Radio TV (15)	120.75	-0.5	18.66	4.76	7.95	7.93	120.11	121.69	125.85	122.50	111.10	160.35	120.12	257.41	42.55
11	Household Goods (13)	142.60	-0.1	20.34	8.58	7.49	7.45	142.76	143.61	143.76	143.21	136.01	167.22	142.60	263.22	63.92
12	Motors and Distributors (25)	75.40	-0.2	20.67	7.25	7.55	7.52	75.56	75.56	74.23	75.58	46.64	85.16	70.05	170.59	19.91
13	CONSUMER GOODS (NON-DURABLE) (168)	133.64	+0.5	16.42	7.15	9.21	9.12	132.99	133.44	134.83	133.58	151.79	162.24	132.99	226.08	61.41
14	Breweries (15)	150.46	+1.8	15.60	2.57	9.54	9.54	147.74	147.69	150.55	148.55	150.06	179.43	147.69	281.87	69.47
15	Wines and Spirits (7)	147.31	+1.1	16.07	7.44	9.56	9.56	145.67	145.51	147.88	144.64	135.41	190.67	144.44	257.40	78.71
16	Entertainment, Catering (14)	159.24	+1.1	15.57	8.39	10.04	9.95	157.57	159.25	161.03	156.96	151.51	211.26	157.57	329.99	54.87
17	Food Manufacturing (22)	148.05	+0.4	18.02	5.95	8.44	8.38	147.49	147.35	148.87	147.54	142.84	179.44	147.34	211.65	59.79
18	Food Retailing (16)	124.20	+0.5	14.17	6.30	10.27	10.37	123.56	124.01	125.77	125.24	134.89	150.05	123.56	235.08	54.25
19	Newspapers, Publishing (16)	168.49	-0.1	14.55	5.18	10.57	10.57	168.67	169.96	171.43	170.78	150.44	184.54	157.01	250.29	55.08
20	Packaging and Paper (12)	91.48	+0.4	17.77	9.28	8.66	8.66	91.16	92.56	93.90	92.51	87.41	112.50	91.16	185.69	43.46
21	Stores (34)	110.16	+0.6	15.86	6.36	11.11	11.09	109.50	109.05	110.60	110.08	114.60	136.24	109.50	204.39	52.63
22	Textiles (23)	131.09	+0.1	14.02	8.77	10.76	9.52	131.01	131.70	132.85	130.88	134.47	183.19	130.88	253.72	62.66
23	Tobaccos (3)	199.44	-0.7	21.97	8.65	6.77	6.77	200.84	201.38	203.85	202.52	189.10	241.89	199.44	359.16	94.34
24	Toys and Games (6)	70.51	+0.5	21.45	5.51	6.34	6.21	69.98	70.76	70.81	70.81	47.47	90.95	69.13	135.72	20.92
	OTHER GROUPS (96)															
25	Chemicals (26)	193.08	+0.4	15.38	5.69	10.43	10.43	192.31	193.64	195.92	193.58	169.84	231.58	192.31	251.38	71.20
26	Office Equipment (6)	81.10	+0.1	14.84	6.49	9.85	9.85	81.03	81.26	82.52	81.80	80.79	100.18	81.03	246.06	45.34
27	Shipping (12)	358.99	-0.1	15.87	7.17	10.46	9.51	359.27	360.97	362.50	356.85	328.29	432.64	355.52	517.00	90.80
28	Miscellaneous (49)	140.00	-0.2	15.74	8.19	9.48	9.46	139.66	141.05	142.64	141.94	136.75	172.98	139.66	256.83	60.39
29	INDUSTRIAL GROUP (496)	137.62	+0.3	16.63	6.94	8.95	8.87	137.21	138.10	139.58	138.23	129.13	165.38	137.21	220.17	59.01
30	OILS (4)	353.85	-0.2	12.82	4.91	9.02	8.35	354.44	328.79	354.49	351.34	300.86	395.84	328.79	451.66	87.23
31	500 SHARE INDEX	153.73	+0.2	16.02	6.61	8.96	8.78	153.39	153.80	155.61	154.11	143.34	185.00	153.39	227.95	63.49
32	FINANCIAL GROUP (100)	118.41	+0.3	—	5.51	—	—	118.03	118.69	119.49	118.63	127.56	153.46	118.03	241.41	55.88
33	Banks (6)	141.99	+0.7	23.69	6.46	6.50	6.50	141.05	142.46	142.08	139.90	147.86	192.16	139.90	286.32	62.44
34	Discount Houses (10)	137.62	—	—	10.05	—	—	137.60	139.65	139.63	140.95	150.28	186.52	137.60	293.13	61.40
35	Hire Purchase (5)	87.65	+2.3	7.90	7.41	28.74	29.74	85.70	87.41	87.49	86.92	91.08	132.10	83.44	433.72	38.85
36	Insurance (Life) (9)	97.05	-0.9	—	7.39	—	—	98.16	96.81	98.62	95.92	109.20	139.46	95.91	194.46	44.33
37	Insurance (Composite) (7)	96.27	+0.7	—	7.40	—	—	95.58	95.42	96.48	96.36	106.13	119.75	92.03	155.76	43.96
38	Insurance Brokers (9)	217.50	-0.6	11.27	5.35	13.12	13.12	216.27	217.86	218.09	215.86	193.17	276.90	215.56	276.90	65.86
39	Merchant Banks (16)	62.59	+0.2	—	6.94	—	—	62.47	63.63	64.39	64.77	81.85	95.85	62.47	278.57	31.21
40	Property (32)	152.23	-1.6	4.10	3.61	44.52	42.56	154.63	154.79	158.90	158.14	165.12	194.57	144.37	357.40	56.01
41	Miscellaneous (6)	69.97	+0.1	18.32	8.83	8.44	8.44	69.90	70.27	70.58	71.14	64.73	91.98	68.44	303.15	33.29
42	Investment Trusts (50)	137.56	-0.1	3.88	5.50	26.62	26.62	137.37	137.78	138.53	138.30	156.94	194.55	137.37	245.79	71.63
43	ALL-SHARE INDEX (650)	144.39	+0.2	—	6.54	—	—	144.05	144.51	146.04	144.76	139.84	172.64	144.05	228.18	61.92
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (9)	450.10	-0.2	10.30	6.23	14.32	13.01	451.20	452.05	455.54	455.54	408.82	523.40	404.67	555.37	84.68
45	Teas (8)	133.95	-0.8	40.21	9.50	4.39	4.27	134.97	135.31	136.03	135.36	100.51	142.43	117.89	142.43	59.72
46	Coppers (3)	195.22	+4.1	50.62	8.80	1.98	1.98	187.50	184.25	185.10	180.43	376.65	401.47	177.60	567.78	94.08
47	Mining Finance (11)	85.92	-1.3	12.14	5.63	9.27	9.20	84.66	86.25	86.02	85.88	117.19	119.77	83.89	175.90	66.31
48	Tins (9)	103.25	—	19.51	9.72	9.90	9.85	103.25	103.57	106.05	106.32	94.40	119.14	86.09	125.43	54.83
49	Overseas Traders (13)	202.46	+1.1	17.27	4.96	7.77	7.76	200.20	201.26	202.93	200.80	209.72	254.47	200.20	254.47	97.37

	FIXED INTEREST	Wed. Sept. 1 Index No.	Yield †	Tuesday August 31	Friday August 27	Thurs. August 26	Wed. August 25	Tuesday August 24	Monday August 23	Friday August 20	Year ago (approx.)	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	14.10	14.20	14.18	14.27	14.27	14.26	14.15	14.06	13.91	—	—	—	—
2	20-yr. Govt. Stocks (6)	48.22	15.48	47.96	47.98	47.81	47.71	47.94	48.15	46.41	51.00	53.45	47.56	115.42	38.27
3	20-yr Red. Deb. & Loans (15)	49.39	14.95	49.42	49.56	49.66	49.66	49.80	49.91	50.39	47.99	52.40	46.68	113.43	37.01
4	Investment Trust Prefs. (15)	48.93	14.15	48.93	49.20	49.20	49.16	49.16	49.06	49.09	46.55	51.23	45.43	114.41	34.45
5	Coml. and Indl. Prefs. (20)	69.10	13.60	69.10	69.07	69.07	69.17	69.15	69.21	69.56	65.37	71.97	62.76	114.95	47.87

Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00
Engineering (Heavy)	31/12/71	153.84
Engineering (General)	31/12/71	153.84
Wines and Spirits	16/1/70	144.76
Toys and Games	16/1/70	135.72
Office Equipment	16/1/70	162.74
Industrial Group	31/12/70	128.20
Miscellaneous Financial	31/12/70	128.06
Food Manufacturing	29/12/67	114.13
Food Retailing	29/12/67	114.13
Insurance Brokers	29/12/67	96.67
Mining Finance	29/12/67	100.00
All Other	10/4/62	100.00

† Redemption yield. FT-Actuaries Indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer.

A list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By post 20p.

A record of the indices, cost £30, is obtainable from FT Business Enterprises, 10, Bolt Court, London, EC4. It gives all group and sub-section indices at fortnightly intervals since the start of the series in 1962 with quarterly highs and lows. Dividend and earnings figures are also included.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1976 high	1976 low
Bats Defd.	25p	13	200	—	325	200
ICI	£1	9	326	—	402	323
Midland Bank	£1	8	250	+ 2	320	243
BP	£1	7	563	− 2	683	557
EMI	50p	7	199	—	277	196
Marks & Spencer	25p	7	94	—	108	88
NatWest "New"	Fully pd.	7	212	− 2	217	198
Reed Int'l. "New"	Fully pd.	7	222	+ 3	231	210
Shell Transport	25p	7	398	—	462	378
BOC Int'l.	25p	6	38½	− ½	63½	36½
Barclays Bank	£1	6	242	+ 2	350	238
Cons. Gold Fields	25p	6	138	+ 3	220	128
Distillers	50p	6	115½	+ 1	138	116
Lonrho	25p	6	61	—	109	61
Beecham	25p	5	332	—	390	332

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).

Option Report—3-month Call Rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Sep. 1	Sep. 13	Nov. 25	Dec. 7
Sep. 14	Sep. 27	Dec. 9	Dec. 21
Sep. 28	Oct. 11	Dec. 30	Jan. 4

"Calls" were dealt in Newman Industries, Atlantic Assets, "Lofs," Premier Cons. Oil, Burmah Oil, UDT, ICI, Ball and Collins, Reyrolle Parsons, Lonrho, Slater Walker and York Trust, while "doubles" were arranged in British Land, Capital and Counties, Pacific Copper, Reardon Smith "A" and Town and City.

Industrials
A. Brew 6½; A. P. Cement 15; Assoc. Leisure 5; BSR 9; Babcock 8; Barclays Bank 22; Berry Wiggins 5; Beecham 28; Boots Drug 12; Bowater 16; B.A.T. 21; British Leyland 5; BOC In. 3½; Brown (J.) 9; Burton 'A' 6½; Cadburys 5; Cavenham 10; Courtaulds 11; Debenhams 8; Distillers 13; Dunlop 7½; Eagle Star 11; E.M.I. 17; Fitch Lovell 6; Gen. Accident 12; Gen. Electric 15; Glaxo 55; Grand Met. 7; G.U.S. 'A' 16; Guardian 18; G.K.N. 25; Hawker Sidd. 35; House of Fraser 8; I.C.I. 20; "Imps" 7; I.C.L. 14; Inveresk 7; Legal & General 12; Ladbroke 11; Lex Service 8½; Lloyds Bank 24; "Lofs" 4; London Brick 4½; Lucas Inds. 20; "Mams" 7; Marks & Spencer 8; Midland Bank 22; Nat'West Bank 20; "Do" Warrants 7½; P & O Dfd. 11; Plessey 7; R.H.M. 5; Rank Org. 'A' 18; Reed Int'l 23; Reyrolle 11; Rothmans 4; Slater Walker 4; Spillers 4; Tesco 4; Thorn 'A' 22; Trust Houses 9; Tube Invest. 27; Unilever 35; Utd. Drapery 8; Vickers 15; Williams Hud'n 4; Woolworths 6

Property
Brit. Land 5½; Cap. Counties 5; E.P. 6; Int. Europe 7; Land Securities 14; MEPC 7; Peachey 6; Samuel Props. 4½; Town & City 4½

Oils
Brit. Petroleum 40; Burmah Oil 4½; Shell 27; Ultramar 14

Mines
Charter Cons. 15; Chart'r'h'll Fin. 4; Cons Gold 15; Hampton Areas 12; Lonrho 9; Rio T. Zinc 17; Western M'ng 18

NEW HIGHS AND LOWS FOR 1976

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1976.

NEW HIGHS (7)

BRITISH FUNDS (1): Exchequer 5pc '76-78
COMMONWEALTHS (1): N.Z. 4pc '76-78
FOREIGN BONDS (1): Iceland 7½pc '81-83
CANADIANS (1): Brascan
INDUSTRIALS (1): Schlumberger
TEXTILES (1): Spencer (G.)
OILS (1): Oil Exploration

NEW LOWS (57)

AMERICANS (1): Hutton (E. F.)
BANKS (1): Alexander's Discount
BUILDINGS (8): Breedon Lime; Carr (J.); Crossley; Erith; Fairclough (L.); Feb. Int'l 'A'; Melville Dundas; Reed & Mallik; Taylor Woodrow
CINEMAS (2): Assoc. TV 'A'; Trident TV 'A'
STORES (3): Beattie (J.) 'A'; Burton; Waring & Gillow
ELECTRICALS (3): A.B. Electronic; EMI 8½pcConv. '81; Wigfall (H.)
ENGINEERING (4): Dunford & Elliott; Green's Economiser; Martonair; Neill (J.)
FOODS (2): Freshbake; Hinton (A.)
INDUSTRIALS (20): Allied Polymer; Bath & Portland; Berwick Timpo; Bridon; Burco Dean; Cawoods; Crest Nicholson; Gomme; Hepworth Ceramic; Lonsdale Universal; Newey; Parker Knoll 'A'; Plastecraft; Rotaprint; Sangers; Silentnight; Toye; Utd. Industrial; Wilkinson Match; Do. 10pc Conv.
INSURANCE (1): Sedgwick Forbes
PAPER (1): Hindson Print
PROPERTY (2): Town & Comm. 6¼pc Conv. 1985; Haslemere Ests.
SHOES (1): Footwear Invs.
TOBACCOS (1): BAT Inds.
TRUSTS (3): Cumulus Inv.; Foreign & Colonial; Kellock
OILS (2): Berry Wiggins; CCP North Sea
MINES (1): Silvermines

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	47	—	8
Corpns., Dom. and Foreign Bonds	12	1	51
Industrials	186	241	1,275
Financial and Prop.	76	72	416
Oils	4	6	22
Plantation	—	7	35
Mines	59	19	66
Recent Issues	3	10	29
Totals	392	368	1,893

Medtainer Line in Liverpool office move

MEDTAINER LINE, which runs container services to the Middle East and Gulf ports from the Royal Seaforth docks on the Mersey, has set up its U.K. headquarters in the Port of Liverpool Building.

It has taken about 10,500 sq. ft. of office space formerly occupied by trading departments of the owner, the Mersey Docks and Harbour Company. The docks company is now within £10,000 of the revenue target of £100,000 a year from office space lettings.

BASE LENDING RATES

Allied Irish Banks Ltd.	10½%
American Express Bank	10½%
Anglo-Portuguese Bank	11 %
Henry Ansbacher	11 %
Banco de Bilbao	10½%
Bank of Cyprus	11 %
Bank of N.S.W.	10½%
Banque du Rhone S.A.	11 %
Barclays Bank	10½%
Barnett Christie Ltd.	12 %
Bremar Holdings Ltd.	11½%
Brit. Bank of Mid. East	10½%
■ Brown Shipley	11 %
Canada Permanent AFI	10½%
Capitol C & C Fin. Ltd.	13 %
Cayzer, Bowater Co.Ltd.	11 %
Cedar Holdings	11 %
■ Charterhouse Japhet	11 %
C. E. Coates	11½%
Consolidated Credits	11 %
Co-operative Bank	*10½%
Corinthian Securities	10½%
Credit Lyonnais	10½%
G. R. Dawes	11½%
Duncan Lawrie	10½%
Eagil Trust	10½%
English Transcont	11 %
First London Secs.	10½%
■ Antony Gibbs	11 %
Goode Durrant Trust	11 %
Greyhound Guaranty	10½%
Grindlays Bank	‡10½%
■ Guinness Mahon	10½%
■ Hambros Bank	10½%
■ Hill Samuel	§10½%
C. Hoare & Co.	†10½%
Julian S. Hodge	11½%
Hongkong & Shanghai	10½%
Industrial Bank of Scot.	10½%
Keyser Ullmann	11 %
Knowsley & Co. Ltd.	12½%
Lloyds Bank	10½%
London & European	11 %
London Mercantile	11½%
Midland Bank	10½%
■ Samuel Montagu	10½%
■ Morgan Grenfell	10½%
National Westminster	10½%
Northern Comm. Trust	11 %
Norwich General Trust	11 %
Portman Guaranty	9½%
P. S. Refson & Co.	10½%
Rossminster Accept'cs.	10½%
Schlesinger Limited	11 %
E. S. Schwab	12 %
Security Trust Co. Ltd.	12 %
Shenley Trust	12½%
Standard Chartered	10½%
Trade Development Bk.	10½%
Twentieth Century Bk.	12½%
United Bank of Kuwait	10½%
Whiteaway Laidlaw	11½%
Williams & Glyn's	10½%
Yorkshire Bank	10½%

■ Members of the Accepting Houses Committee.
* 7-day deposits 6½%, 1-month deposits 6½%.
† 7-day deposits on sums of £10,000 and under 6½%, up to £25,000 7½% and over £25,000 7¾%.
§ Demand deposits 8%.
‡ Call deposits over £1,000 6½%.

CORAL INDEX
Close 348-353

INSURANCE BASE RATES

Atlantic Assurance	12%
Cannon Assurance	9½%

Address shown under Insurance and Property Bond table.

MONEY MARKET

Free credit supply

Bank of England Minimum Lending Rate 11½ per cent. (since May 21, 1976)

Day-to-day credit was in good supply again in the London money market yesterday and the authorities absorbed surplus funds by selling a small amount of Treasury bills to the discount houses. There was a fairly large net market take-up of Treasury bills to finance, but this was outweighed by an excess of Government disbursements over revenue payments to the Exchequer, and surplus balances carried over by the banks.

Discount houses paid 10-10½ per cent. for secured call money in the early part and closing balances were taken at 9¾-10½ per cent.

In the interbank market overnight loans opened at 10½-10¾ per cent. and eased to around 10 per cent. during the morning, before touching 11 per cent. after lunch and closing at 10½-11 per cent.

Short-term fixed period interest rates were slightly easier in places.

Rates in the table below are nominal in some cases.

Sept. 1 1976	Sterling Certificates of deposits	Interbank	Local Authority deposits*	Local Auth. negotiable bonds	Finance House deposits	Company deposits	Discount market deposits	Treasury bills ♦	Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	10-11	—	—	—	10⅛	9¾-10⅛	—	—	—
2 days notice	—	—	10⅛-10⅜	—	—	—	—	—	—	—
7 days or 7 days notice	—	10⅛-10½	10⅜-10⅝	—	10⅝-11⅛	—	10¼-10½	—	—	—
One month	10⅞-10⅝	10⅝-10⅞	10⅝	11⅛-11	10⅞-11⅛	—	10⅝	10⅞-10⅝	10¾	11⅜-11⅛
Two months	11⅛-10⅞	10⅞-11⅛	—	11⅛-11	11⅛-11⅜	—	10⅝-10¾	10⅞	10⅞-10⅝	11½-11⅜
Three months	11¼-11⅛	11⅛-11⅜	11⅛-11¼	11⅜-11	11⅝-11⅞	—	10⅝-10⅞	10⅞	10⅞	11⅝-11⅜
Six months	11⅞-11⅝	11⅝-11⅞	11⅝-11¾	11⅝-11¼	11⅞-12⅛	—	—	—	11⅛	11⅞-11⅝
Nine months	11⅞-11⅝	11⅝-11⅞	—	12-11¾	—	—	—	—	—	—
One year	12-11⅞	11⅞-12	12-12¼	12-11⅞	—	—	—	—	—	—
Two years	—	—	12¼	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days' fixed. * Long-term local authority mortgage rate nominally three years 13¼-13½ per cent.; four years 13¾ per cent.; five years 13¾ per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 11 per cent.; four-month trade bills 11¾-11¼ per cent. Approximate selling rate for one-month Treasury bills 10¾-10⁹⁄₁₆ per cent.; two-month 10¹³⁄₁₆-10⅞ per cent.; and three-month 10⅞ per cent. Approximate selling rate for one-month bank bills 10¾ per cent.; two-month 10⅞-10 per cent. and three-month 10⅞ per cent.; one-month trade bills 11⅛-11¼ per cent.; two-month 11¼-11½ per cent.; also three-month 11¼-11½ per cent.

Finance House Base Rates (published by the Finance Houses Association) 11½ per cent. from August 1, 1976. Clearing Bank Deposit Rates for small sums at seven days' notice 6½ per cent. Clearing Bank Rate for lending 10½ per cent. Treasury bill average tender rate of discount 10.5072 per cent.

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AUTHORISED UNIT TRUSTS

Framlington Unit Mgt. Ltd. (a)
5-7, Ireland Yard, EC4B 5BH. 01-248 6971

Capital Tst.	56.4	59.8	.....	5.15
Income Tst.	55.9	58.4	.....	8.06

Friend's Provdt. Unit Tr. Mgrs.♥
Pixham End, Dorking. 0306 5055

Friends Prov. Uts.	27.3	29.1	+0.3	5.39
Do. Accum.	32.6	34.8	+0.2	5.39

Bishopsgate Progressive Mgmt. Co.♥
9, Bishopsgate, E.C.2. 01-588 6280

B'gate Pr. *Aug. 31	119.1	126.9	.....	4.83
Acc. Units* Aug. 31	134.6	143.4	.....	4.83
B'gat. Int. †Aug. 24	125.5	135.0	.....	2.79
Acm. Units†Aug. 25	134.3	144.5	.....	2.29

Next sub. day †Sept. 7. *Sept. 14.

REGIONAL MARKETS

A selection of the share prices previously shown under regional headings is presented below with quotations on London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish exchange.

								IRISH
Albany Inv. 20p	19	.....	Higsons Brew.	80	.....	Conv. 9% '80/82	£82¾	.....
Ash Spinning	34	.....	I.O.M. Stm. £1	140	.....	Alliance Gas	60	.....
Bertam	23	.....	Holt (Jos.) 25p	238	.....	Arnott	210	.....
Bdg'wtr. Est. 50p	168	.....	Kleen-e-Ze	38	.....	Carroll (P.J.)	108	.....
Clover Croft	24	.....	Lovell's Ship £1	97	.....	Clondalkin	43	.....
Craig & Rose £1	350	.....	Wthn. Goldsmith	27	.....	Concrete Prods.	45	
Dyson (R.A.)	17	.....	P.M.A.	34	.....	Heiton (Hld.)	36	.....
Ellis & McHdy.	66	.....	Pearce (C. H.)	65	.....	Ind. News	38	.....
Evans Fr'k. 10p	22	.....	Peel Mills	12½	.....	Ins. Corp.	160	.....
Everad	11	.....	Robb Caledonian	54	-2	Irish Distillers	97	.....
Fife Forge	50	.....	Sayers 12½p	16	.....	Irish Ropes	98	.....
Finlay Pkg. 5p	15	.....	Sheffield Brick	82	.....	Jacob	58	.....
Frost & Reed 50p	152	.....	Shef. Refrshmt.	135	.....	Sunbeam	14	.....
Graig Ship. £1	330	+10	Shiloh Spinn.	24	.....	T.M.G.	89	.....
Hallam Sleigh 10p	6	.....	Sindall (Wm.)	50	.....	Unidare	65	.....

LEADERS AND LAGGARDS

The following table shows the percentage changes* which have taken place since December 31, 1975, in the principal equity sections of the F.T.-Actuaries Share Indices. It also contains the F.T. Gold Mines Index.

Teas	+13.99	(Group)	-11.09
Toys and Games	+12.52	Stores	-11.29
Rubbers	+12.01	Property	-11.38
Tins	+10.39	Overseas Traders	-12.17
Motors and Distributors	+ 5.72	Electronics, Radio and TV	-12.29
Machine Tools	+ 4.93	Packaging and Paper	-12.46
Newspapers and Publishing	+ 3.72	Financial Group	-13.23
Oil	+ 0.92	Food Retailing	-13.76
Engineering (General)	- 0.18	Banks	-14.84
Insurance (Brokers)	- 1.17	Household Goods	-15.26
Shipping	- 2.48	Building Materials	-15.51
Chemicals	- 2.64	Entertainment and Catering	-15.79
Office Equipment	- 4.38	Wines and Spirits	-16.79
Electricals	- 4.92	Hire Purchase	-17.26
Consumer Goods (Durable) Group	- 4.92	Insurance (Life)	-18.09
Breweries	- 6.93	Investment Trusts	-18.54
500-Share Index	- 7.08	Textiles	-19.69
Engineering (Heavy)	- 7.46	Discount Houses	-21.38
Capital Goods Group	- 7.71	Mining Finance	-25.15
Industrial Group	- 8.50	Merchant Banks, Issuing Houses	-26.77
All-share Index	- 8.96	Coppers	-28.28
Tobacco	- 9.00	Contracting and Construction	-29.10
Food Manufacturing	- 9.18	Gold Mines FT	-65.56
Insurance (Composite)	- 9.46		
Consumer Goods (Non-durable)			

* Percentage changes based on Tuesday, August 31, 1976, indices.

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

NOTES

Prices do not include $ premium, except where indicated ‡, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of U.K. taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ◆. ¶ Guernsey gross. ◆ Suspended. ◆ Single premium insurance bonds.

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

**INTERNATIONAL BANK

[illegible]

**CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS (Miscel.)

[illegible]

FOREIGN BONDS & RAILS

[illegible]

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

[illegible]

S.E. List Premium 45¾% (based on $1.7745 per £)

Conversion factor 0.7893 (0.6201)

CANADIANS

[illegible]

S.E. List Premium 45¾% (based on $1.7745 per £)

BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

BUILDING INDUSTRY—Continued

[illegible]

CHEMICALS, PLASTICS

[illegible]

CINEMAS, THEATRES AND TV

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES—Continued

[illegible]

ELECTRICAL AND RADIO

[illegible]

ENGINEERING, MACHINE TOOLS

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

هكذا من الأصل

MINES—Continued

FAR WEST RAND

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
710	250	Blyvoor 25	300	+25	Q75c	ϕ	16.2
£14	440	Buffels R1	550	+40	Q125c	ϕ	14.7
196	70	Deelkraal R0.20	80	......	—	—	—
760	125	Doornfontein R1	150	+15	Q55c	ϕ	23.7
965	330	East Drie R1	400	+30	Q75c	1.7	12.1
280	122	Elandsrand Gld. 20c	130	+8	—	—	
190	44	Elsburg R1	68	+10	‡Q33.0c	1.0	‡
£16½	520	Hartebeest R1	675	+75	Q190c	ϕ	20.6
695	260	Kloof Gold R1	340	+40	Q47c	ϕ	8.9
760	140	Libanon R1	385	+30	Q80c	ϕ	28.0
740	230	Southvaal 50c	250	......	Q8c	1.3	2.1
245	92	Stilfontein 50c	115	+15	‡Q36c	2.2	‡
925	700	Vaal Reefs 50c	825	+38	‡Q175c	2.1	‡
420	48	Venterspost R1	75	+11	‡Q70c	1.9	‡
£35	£11¼	W. Drie R1	£13¼	+1¼	Q335c	ϕ	15.7
315	68	Western Areas R1	100	+14	‡Q52c	1.4	‡
£15¼	480	Western Deep R2	600	+50	‡Q170c	1.6	‡
290	100	Zandpan R1	120	+18	Q31½c	ϕ	16.8

O.F.S.

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
170	60	Free State Dev. 50c	60	....	Q9c	0.6	9.7
£22½	715	F S Geduld 50c	850	+50	‡Q330c	1.3	‡
200	50	F.S. Saaiplaas R1	56	+3	26c	ϕ	6.9
465	170	Harmony 50c	235	+40	Q65c	ϕ	17.9
195	38	Loraine R1	49	+4	Q6c	0.5	7.9
£18½	675	Pres. Brand 50c	775	+88	‡Q250c	1.3	‡
£13	395	Pres. Steyn 50c	450	+40	‡Q125c	2.2	‡
900	750	St. Helena R1	800	+38	‡Q250c	1.2	‡
174	70	Unisel	78	+3	—	—	—
330	140	Welkom 50c	185	+20	‡Q55c	1.7	‡
£25½	950	W. Holdings 50c	£11½	+1½	‡Q475c	1.2	‡

FINANCE

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
535	315	Ang. Am. Coal 50c	400xd	+22	‡Q38c	2.8	6.1
375	185	Ang. Amer. 10c	221	+11	Q33c	1.9	9.7
£28¼	£10½	Ang. Am. Gold R1	£12	+¼	‡Q360c	1.3	‡
£13¼	850	Ang-Vaal 50c	875	......	Q105c	ϕ	8.0
199	118	Charter Cons.	121	+1	6.76	2.4	8.6

MISCELLANEOUS

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
10	8	Burma Mines 17½p	8½	.....	0.1	ϕ	2.0
35½	20	Charterhall 5p	20¾	−1	—	—	—
990	580	Cons. Murch. 10c	690	+50	†Q80c	1.8	7.5
455	245	Northgate C$1	325	−5	—	—	—
239	166	R.T.Z.	168	......	5.42	2.1	5.0
112	80	Sabina Inds. C$1	83	−2	—	—	—
£15⅞	£10	Tara Exptn. $1	£14½	−⅛	—	—	—
45	32½	Tehidy Minerals 10p	43	......	h1.08	ϕ	3.9
145	84	Yukon Cons. C$1	132	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Sterling denominated securities which include investment dollar premium.
- "Tap" Stock.
- Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- Interim since increased or resumed.
- Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- Figures or report awaited.
- †† Unlisted security.
- Price at time of suspension.
- Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividend or forecast.
- Free of Stamp Duty.
- Merger bid or reorganisation in progress.
- Not comparable.
- Same interim: reduced final and/or reduced earnings indicated.
- Based on 1973 profits.
- Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- Excluding a final dividend declaration.
- Regional price.
- No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1976-77. K Figures based on prospectus or other official estimates for 1976-77. M Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

" Recent Issues " and " Rights " Page 20

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £825 per annum for each security

FINANCIAL TIMES
Thursday September 2 1976

Burmah Oil nears Far East gas deal

By John Wyles, Shipping Correspondent

BURMAH OIL has cleared a vital obstacle in its plan to become a major transporter of liquefied natural gas by reaching agreement on revised terms for a 20-year contract to carry gas from Indonesia to Japan.

A deal announced in Tokyo yesterday with Pertamina, the Indonesian State oil company, is an important boost to Burmah's long-drawn-out attempt to secure financing for five gas carriers on order at General Dynamics Quincy yard in the United States.

Progress payments on these ships have been causing a $9m. a month drain on Burmah's cash flow for the past year and a half.

The revised deal with Pertamina is the result of a complex series of interlocking negotiations held in Tokyo over the past fortnight.

One round of talks was aimed at renegotiating agreements made in 1973 so that Pertamina would receive a higher price from the Japanese gas utilities buying the gas. Burmah could then in turn be paid a higher freight rate for carrying the gas and so yield a better return to the prospective owner of the ships, General Dynamics.

The first two links of this chain have now been forged by the Pertamina-Burmah deal and Japanese agreement late last week to pay a reported $2.35 per million British Thermal Units (BTUs) for the 7.5m. tonnes of gas to be delivered over 20 years. The original contract price was understood to have been $2.30 per million BTUs.

Kept secret

The details of the Pertamina-Burmah renegotiations have been kept secret. But the transport contract price is reliably understood to have increased from 30 cents per million BTUs to around 34 cents. Altogether, Burmah is due to provide seven large liquefied natural gas (LNG) carriers for the project, which is due to start in March next year.

With this contract, Burmah is now more confident of completing an agreement by which General Dynamics will become the equity holder in at least the first five LNG carriers earmarked for the Indonesia-Japan trade.

An indication that final agreement might be near came on Monday when General Dynamics disclosed that as prospective owner of the ships it had filed for Federal U.S. mortgage guarantees for five LNG carriers. Applications for another two ships would follow later in the year.

Leyland fearful as strikes continue

BY DAVID CHURCHILL IN COVENTRY

BRITISH LEYLAND'S hopes for a return to normal car production, after yesterday's settlement of one dispute at Longbridge in Birmingham, were dampened by worsening strikes at its other car plant and major component suppliers. The latest crop of disputes has so far lost Leyland a total of 4,500 Allegro, Mini, Princess and Maxi models worth over £9m. at retail prices.

But Leyland management fears that the situation could become much more serious if the strike by 235 electricians at the Lucas Group in Birmingham continues. Lucas supplies alternators, starters and lighting equipment for Leyland cars.

Yesterday, Lucas laid off another 900 workers—bringing the total to about 2,000—and Leyland said last night that its production could be hit by the end of the week. The Lucas electricians who walked out on Tuesday are claiming improved sickness benefits.

The Leyland dispute settled yesterday at Longbridge was a strike by 92 rectification engineers which had halted Mini and Allegro production and led to 6,000 other workers in the assembly plant being laid off. The engineers yesterday accepted their union's recommendation to go back to work on the grounds that their pay claim would, if implemented, breach the Government's new 4.5 per cent. pay policy.

But some 200 tool-setters in the engine and transmission plant, also at Longbridge, decided yesterday to continue their strike, which began on Monday, over a pay regrading claim. About 2,000 engine workers were laid off yesterday and, if the strike continues, more will be laid off from Leyland's other Birmingham plant.

At Cowley, Oxford, Princess output remained at a standstill with over 1,100 lay-offs yesterday because of a strike in support of four Transport and General Workers Union shop stewards, who had their stewards' facilities withdrawn by management for calling an unauthorised meeting. About 800 workers are expected to be brought back today with some 300 still laid off.

The company's decision was given support yesterday by Mr. Reg Parsons, a senior TGWU steward, who said in a leaflet that he would support Leyland in its action against the four shop stewards.

Leyland also faced trouble yesterday from 200 foremen at the bus and truck plant at Bathgate, Scotland, who walked out over a pay dispute. Production was not affected. And a simmering dispute continues at Jaguar in Coventry where 600 paint shop workers are threatening more 24-hour strikes over the resiting of a paint shop in Birmingham.

Water cuts intensified in Gwent, Yorkshire

By Roy Hodson

RESTRICTIONS on the use of water became more severe in parts of England and Wales yesterday. Companies in North-West Gwent in Wales were rationed to 50 per cent. of their usual supplies.

In Yorkshire—the first English area where a water authority has been granted rationing powers—work began on erecting street standpipes in the south-west. Some of them will be brought into use almost immediately as local supplies are rationed.

The affected area includes Halifax, Huddersfield, Dewsbury and Wakefield. Standpipes will also be erected in Leeds and Harrogate later this week.

Industry in the Midlands was told yesterday to cut water by 40 per cent. or face immediate rationing. Mr. David Reeve, Severn Trent Water Authority's director of operations, warned that unless savings were made now, rationing would be introduced before the end of the month.

The Prime Minister heard first-hand reports on the situation yesterday from Mr. Denis Howell, the Drought Minister, and Mr. Fred Peart, the Agriculture Minister, at a 50-minute Downing Street meeting of the emergency Cabinet committee set up a week ago. The committee, which approved Mr. Howell's contingency plans, will meet weekly during the water crisis.

Monitored

The Government believes more work still needs to be done to identify the areas and activities in most acute need.

Mr. Howell told the committee there was no immediate threat to industry or employment, but he could not project beyond October because of the unpredictability of rainfall and possible savings from water conservation. He did not ask for any additional powers.

On his visits to Wales and the South-west Mr. Howell reported he had found voluntary savings from industry and domestic consumers extremely patchy, and there remained considerable scope for improvement.

He found three concerns, including Devonport Dockyard, who had achieved a saving in water consumption of 50 per cent. without an adverse effect on efficiency. He would like this to be the norm rather than the exception.

All water authorities in England and Wales have now applied for restriction orders under the Drought Act. But, so far, orders have been granted only to the Welsh and Yorkshire authorities. The Government intends to keep close control of the situation by monitoring the issuing of further orders.

The Royal Navy has been asked to report on the feasibility of moving water by sea in either conventional tankers or flexible dracones — sausage-shaped containers which are towed by ships. Mr. James Wellbeloved, Under-Secretary, Defence, attended yesterday's Downing Street meeting.

The Welsh Water Authority said that companies in the Heads of the Valleys area, where rationing started yesterday, now knew their targets and water officials would be calling to inspect their water meters.

Vandals

About 70 concerns are affected, of which only about one in five have said they do not believe they can continue normal production during the period of the cuts. Companies in real difficulties are to have their cases considered by the water authority.

Mr. J. C. Brown, chairman of the Yorkshire water authority, said yesterday that standpipes would be brought into use in stages in Leeds if the drought continued. The plans call for one standpipe to 35 households.

Supplies in Lancashire will last only 40 days at the present rate of consumption and the North West Water Authority is expecting to secure permission to introduce standpipes and rationing within a few days. The areas that will be affected first are the Rossendale Valley and the Tameside district of Manchester.

Irish Parliament passes state of emergency Act

BY KEVIN DONE IN DUBLIN

THE DECLARATION of a state of emergency sought by the Irish Government was passed last night by both houses of the Irish Parliament.

The vote came at the end of two days of debate and now opens the way for discussion of the Government's tough new package of anti-terrorist measures aimed at cracking down on the IRA.

The vote gave the coalition Government a surprisingly easy majority of five, with the voting going 70—65.

The effect of the vote is to suspend part of the constitution, because of "the armed conflict now taking place in Northern Ireland" which according to Government is "affecting the vital interests of the State."

The two days of debate by the specially recalled Parliament did not always reflect the grave state of affairs described by Mr. Liam Cosgrave, the Prime Minister, at the outset.

The special sessions and the proposed anti-terrorist legislation form the Irish Government's response to the assassination of the former British ambassador, Mr. Christopher Ewart-Biggs, in July, and the bomb attack on the Special Criminal Court in Dublin a week earlier.

The Government immediately began discussion of the Emergency Powers Bill last night in a session specially extended by two hours.

The major provision of this Bill will be to extend the period of time a suspect terrorist can be kept in custody without charge from 48 hours to seven days.

Fianna Fail, the Opposition party, is opposed to this Bill, considering it to be a mild form of internment.

Discussion of the entire package of legislation is expected to last at least until the end of next week and will culminate with consideration of the Criminal Law Bill which provides for heavier penalties all-round for terrorist activities, the giving of powers of arrest and search to the Army, and includes a number of new offences.

The Opposition is pledged to support this Bill, but is preparing amendments on some of its more controversial points.

The Government came under sustained attack yesterday from the Opposition. A series of speakers questioned the necessity of the Government's action, and voiced fears that its response to recent events was out of proportion to the real situation.

But in summing up the debate, Mr. Cosgrave said the emergency resolution was the best way of "attacking the cancer of subversion and armed conspiracies" afflicting the State.

He delivered a swingeing attack on the Opposition, accusing it of being paralysed despite the serious international situation, and said that if the electorate thought the Government was abusing its powers it could deliver its verdict at the next general election, which must be called before March, 1978.

Mr. Cosgrave disputed the Opposition's claims that the police and armed forces were not being used effectively and said there were at least 1,000 more police now than when the Fianna Fail Government was defeated at the last election in 1973.

Repeated armed conspiracies against the State had been the scourge of Ireland for 50 years.

Men and Matters, Page 16

Giscard heads council to control French nuclear exports policy

BY RUPERT CORNWELL

PARIS, Sept. 1.

FRANCE TO-DAY moved to meet growing international criticism of the nuclear export policy by setting up a top-level council to take charge of it.

The announcement comes three weeks after a nasty squabble between Paris and Washington over the planned sale of a nuclear fuel reprocessing plant to Pakistan; and barely ten days after France was humiliatingly singled out for an oil embargo by the non-aligned States at their Colombo summit over a contract to supply South Africa with two nuclear power plants.

The committee will be headed by President Giscard d'Estaing himself, and includes M. Raymond Barre, the Prime Minister, as well as four other interested Ministers and the president of the French Atomic Energy Authority (CEA).

The creation of the new body, "to define and co-ordinate sales of nuclear techniques and products," was decided at the first full Cabinet meeting of M. Barre's five-day-old Government, at which it was also reaffirmed that there would be no change in French foreign policy.

Inevitably, the committee has been branded already as a purely cosmetic device. But the recent controversies have given the French considerably more worry than official spokesmen care to admit.

At the least, the President will be hoping to avoid any repeat of the embarrassing Colombo episode, while the public row with Dr. Kissinger—however reminiscent of old-style Gaullist bravado—brought home just how sensitive an issue nuclear proliferation is.

Public statements in France and Pakistan leave no doubt that both parties mean to go through with the agreement, despite vigorous warnings from the U.S., that it would sever military aid to Pakistan if the sale went ahead.

Meanwhile, industry and the Government here have reacted with a mixture of anger and perplexity to allegations in the U.S. that France, the British Rio Tinto Zinc company, and three other countries established in 1972 a cartel to fix the price of uranium.

It is not disputed in Paris that the meetings referred to in documents presented to the U.S. Justice Department and a Senate committee did take place.

However, all talk of a cartel is rejected both by the CEA and by the French Foreign Ministry, which argues that if anyone at that time was to be accused of monopolistic practices over uranium, it was the U.S.

The immediate reaction here is to ascribe the tough line taken by the U.S. to internal American political factors, where all things nuclear have become a campaign issue.

Some industry experts also put it down to the future import requirements of the U.S., which by the 1980s might be meeting over half its domestic demand for uranium by purchases abroad.

France's importance as a producer goes beyond its own substantial deposits of the mineral, which afforded a production capacity of 1,950 tonnes in 1975.

Through operating companies variously controlled by the CEA, the Imetal-Penarroya mining group, and Pechiney-Ugine-Kuhlmann, the country is deeply involved in the uranium-rich states of Gabon and Niger in Francophone Africa.

Continued from Page 1

IMF

political problems which are recognised here as formidable.

The attraction of the DCE/Money supply approach might be that it would avoid more conspicuous British belt-tightening, at least for the moment.

It is in this context that the possibility of "rolling over" the current swap agreement emerges. Senior Fed officials emphasised the often stated U.S. position to-day that the swap was very short-term and interim financing would have to come from "other sources."

But U.S. officials have not quite ruled out some continuation of the swap, perhaps in tandem with a successful U.K. application.

This might then be portrayed as an "international vote of confidence" and would, in any event, serve to reduce the chances of renewed speculation against the pound with all that might mean for other currencies.

Weather

U.K. TO-DAY

SUNNY periods. Showers.

London, Cent. S., S.W., N.W., Cent. N. England, Midlands, Channel Isles, S. Wales
Sunny periods. Wind N., moderate. Max. 19C (66F).

S.E., E. England, E. Anglia
Sun and showers. Wind N. moderate to fresh. Max. 18C (64F).

N. Wales, Lakes, I. of Man, S.W. Scotland, Glasgow, Argyll, N. Ireland
Sunny periods. Wind N.W., light. Max. 17C (63F).

N.E. England, Borders, Edinburgh, Dundee
Sun and showers. Wind N.W., moderate. Max. 16C (61F).

N.E. Scotland, Orkney, Shetland
Showers and sun. Wind N.W., fresh to strong. Max. 12C (54F).

Cent. Highlands, N.W. Scotland
Showers and sun. Wind W. to N.W., moderate. Max. 14C

Outlook: Showers, cooler.

Lighting-up: London 20.15, Manchester 20.27, Glasgow 20.40.

BUSINESS CENTRES

	Y'day Mid-day	°C	°F		Y'day Mid-day	°C	°F
Amsterdm.	[illegible]	[illegible]	[illegible]	Manchstr.	[illegible]	[illegible]	[illegible]
Athens	[illegible]	[illegible]	[illegible]	Melbourne	[illegible]	[illegible]	[illegible]
Barcelona	[illegible]	[illegible]	[illegible]	Milan	[illegible]	[illegible]	[illegible]
Beirut	[illegible]	[illegible]	[illegible]	Montreal	[illegible]	[illegible]	[illegible]
Belfast	[illegible]	[illegible]	[illegible]	Moscow	[illegible]	[illegible]	[illegible]
Belgrade	[illegible]	[illegible]	[illegible]	Munich	[illegible]	[illegible]	[illegible]
Berlin	[illegible]	[illegible]	[illegible]	Newcastle	[illegible]	[illegible]	[illegible]
Birmghm.	[illegible]	[illegible]	[illegible]	N. York	[illegible]	[illegible]	[illegible]
Bristol	[illegible]	[illegible]	[illegible]	Oslo	[illegible]	[illegible]	[illegible]
Brussels	[illegible]	[illegible]	[illegible]	Paris	[illegible]	[illegible]	[illegible]
Budapest	[illegible]	[illegible]	[illegible]	Perth	[illegible]	[illegible]	[illegible]
B. Aires	[illegible]	[illegible]	[illegible]	Prague	[illegible]	[illegible]	[illegible]
Cairo	[illegible]	[illegible]	[illegible]	Reykjavik	[illegible]	[illegible]	[illegible]
Cardiff	[illegible]	[illegible]	[illegible]	Rio de J'o	[illegible]	[illegible]	[illegible]
Cologne	[illegible]	[illegible]	[illegible]	Rome	[illegible]	[illegible]	[illegible]
Copenhgn.	[illegible]	[illegible]	[illegible]	Singapore	[illegible]	[illegible]	[illegible]
Dublin	[illegible]	[illegible]	[illegible]	Stockholm	[illegible]	[illegible]	[illegible]
Edinb'gh	[illegible]	[illegible]	[illegible]	Strasbourg	[illegible]	[illegible]	[illegible]
Frankfurt	[illegible]	[illegible]	[illegible]	Sydney	[illegible]	[illegible]	[illegible]
Geneva	[illegible]	[illegible]	[illegible]	Tehran	[illegible]	[illegible]	[illegible]
Glasgow	[illegible]	[illegible]	[illegible]	Tel Aviv	[illegible]	[illegible]	[illegible]
Helsinki	[illegible]	[illegible]	[illegible]	Tokyo	[illegible]	[illegible]	[illegible]
H. Kong	[illegible]	[illegible]	[illegible]	Toronto	[illegible]	[illegible]	[illegible]
Jo'burg	[illegible]	[illegible]	[illegible]	Vienna	[illegible]	[illegible]	[illegible]
Lisbon	[illegible]	[illegible]	[illegible]	Warsaw	[illegible]	[illegible]	[illegible]
London	[illegible]	[illegible]	[illegible]	Zurich	[illegible]	[illegible]	[illegible]
Luxmb'g	[illegible]	[illegible]	[illegible]				
Madrid	[illegible]	[illegible]	[illegible]				

HOLIDAY RESORTS

	Y'day Mid-day	°C	°F		Y'day Mid-day	°C	°F
Ajaccio	[illegible]	[illegible]	[illegible]	Jersey	[illegible]	[illegible]	[illegible]
Algiers	[illegible]	[illegible]	[illegible]	Las Plms.	[illegible]	[illegible]	[illegible]
Biarritz	[illegible]	[illegible]	[illegible]	Locarno	[illegible]	[illegible]	[illegible]
Blackpool	[illegible]	[illegible]	[illegible]	Luxor	[illegible]	[illegible]	[illegible]
Bordeaux	[illegible]	[illegible]	[illegible]	Majorca	[illegible]	[illegible]	[illegible]
Boulogne	[illegible]	[illegible]	[illegible]	Malaga	[illegible]	[illegible]	[illegible]
Casablnca.	[illegible]	[illegible]	[illegible]	Malta	[illegible]	[illegible]	[illegible]
Cape Tn.	[illegible]	[illegible]	[illegible]	Nairobi	[illegible]	[illegible]	[illegible]
Corfu	[illegible]	[illegible]	[illegible]	Naples	[illegible]	[illegible]	[illegible]
Dubrovnik	[illegible]	[illegible]	[illegible]	Nassau	[illegible]	[illegible]	[illegible]
Faro	[illegible]	[illegible]	[illegible]	Nice	[illegible]	[illegible]	[illegible]
Florence	[illegible]	[illegible]	[illegible]	Oporto	[illegible]	[illegible]	[illegible]
Funchal	[illegible]	[illegible]	[illegible]	Rhodes	[illegible]	[illegible]	[illegible]
Gibraltar	[illegible]	[illegible]	[illegible]	Salzburg	[illegible]	[illegible]	[illegible]
Guernsey	[illegible]	[illegible]	[illegible]	Tangier	[illegible]	[illegible]	[illegible]
Innsbruck	[illegible]	[illegible]	[illegible]	Tenerife	[illegible]	[illegible]	[illegible]
Inverness	[illegible]	[illegible]	[illegible]	Tunis	[illegible]	[illegible]	[illegible]
I. of Man	[illegible]	[illegible]	[illegible]	Valencia	[illegible]	[illegible]	[illegible]
Istanbul	[illegible]	[illegible]	[illegible]	Venice	[illegible]	[illegible]	[illegible]

S—Sunny. F—Fair. C—Cloudy. Dr—Drizzle. R—Rain.

British Steel to let customers know about 10% price rise

BY ADRIAN HAMILTON

BRITISH STEEL is to tell its customers this week-end of its intention to raise prices on a wide variety of its products by an average of 10 per cent.

Details of the price changes, which will come into effect next month, will be sent out over the next few days.

Following strong representations by many of its major consumers responding to reports of the rise, the corporation is expected to give some reassurance of price stability over the winter.

This reassurance will be a marked contrast to the corporation's attitude over most of this year, which has been one of responding to market developments as rapidly as possible.

Several factors are believed to have persuaded the corporation to meet customer demands for a reassurance over the future.

One has been the strong reaction of consumers, which have faced an almost continuous series of price increases over this year as well as a reduction in rebates and an increase of other charges such as delivery costs.

Close to profits

Second has been the improvement in the corporation's overall financial position. Following a loss of £255m. in the last financial year, 1975-76, the corporation is now close to breaking even and, provided that the latest increases goes through, aims to make a small profit over the current financial year as a whole.

Third has been movements in the steel market itself. Present projections suggest that demand, while continuing the gradual recovery seen over the last six months, will not move rapidly forward until next year at the earliest and that, even then, the upward trend may not be as sharp as in previous cycles.

Under these conditions, corporation executives are believed to feel that a pause in further price increases, at least for consumers affected by the latest round, may make commercial as well as political sense.

Details of the latest increases have not been revealed. But while they are expected to be selective and to vary from product to product, they are likely to cover a substantial proportion of BSC's business, affecting particularly car and consumer durable manufacturers.

For some customers, the increases will be the third within a year and will mean an overall rise in steel prices of some 30-40 per cent. since the spring.

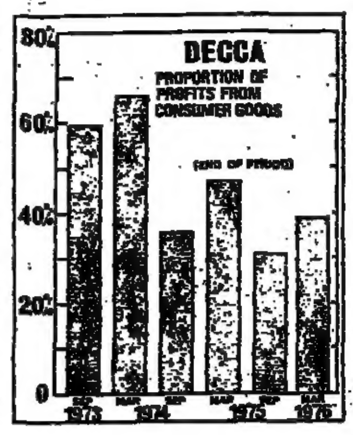
Among the strongest worries expressed over the new increases have been those voiced by the British Steel Consumers' Council and the Process Plant Association.

THE LEX COLUMN

Ups and downs at Decca

Index rose 0.3 to 351.1

Against the forecast decline, Decca has actually managed to push pre-tax profits ahead from £13.3m. to £13.6m. for the year thanks to a 7 per cent. improvement in the second half. Largely this is due to a strong performance on the capital goods side—especially in the final quarter—with military radar and the Navigator going well. The records side has also shown useful growth for the year, with a reasonably firm home market and better results overseas, notably in Nigeria. But within the consumer goods division this has not been able to offset further declines in TV and audio, where the boost from colour TV shipments to Australia early in the year has tailed off. The share of pre-interest profits earned by consumer goods has fallen from 43 to 36 per cent., and pretty well all of this contribution is now from records and tapes.



Prospects still look dreary in TV, though Decca is hoping to stay in the black through further cost-cutting moves. Overall consumer goods turnover, which fell 7 per cent. in the second half last year, is down again so far in 1976-77. But the group is sounding a much more optimistic note for capital goods. Big orders for aircraft components and for four Navigator chains in Nigeria will help to provide a solid medium term workload. Moreover there could be some recovery this year on the survey side, where U.S. losses are expected to be eliminated. The statement was good enough to leave the "A" shares 12p higher at 196p, where a p/e of just over 7 looks unexciting until the extent of this year's earnings growth can be clarified.

Albright and Wilson

Doubts about the long-term prospects for the phosphorous industry have dogged Albright and Wilson's share price of late. However, a 58 per cent. rise in interim pre-tax profits to £14.4m. with the prospect of year-end profits of £29m-£30m. —a third higher than the 1974 all-time best—proved a tonic for the shares, which rose 4p to 76p.

With 60 per cent. of earnings coming from overseas, currency factors naturally played a considerable part. But unlike other big chemical companies Albright refuses to say how much; guesstimates suggest about £2m. out of operating surplus of £18.5m. Even so the performance was better than expected with margins rising by a quarter in the first six months and volume growth accounting for just over half the 20 per cent. rise in sales. The bulk of group profits come from phosphorus and detergent chemicals, and here U.K. demand improved noticeably.

Overseas, Australia moved ahead although on the Continent the detergent side only marked time. In Canada, pulp and paper chemicals began to recover from last year's strikes but industrial chemicals pulled down profits. The notorious Long Harbour phosphorous plant in Newfoundland, which has been such a drag on profits in the past, appears to be working moderately well at last and the company should soon decide whether to go ahead and modify the second furnace. Technical factors may be decisive in the short term but in the long term the prospect of worldwide overcapacity may colour the decision.

Insurance brokers

The insurance broking sector—which has underperformed the market modestly in recent months having displayed marked relative strength at the beginning of the year—might take some heart from yesterday's twin results. According to the more bearish analysts the broking business is slowing down after the hectic earnings advances of 1975 as the inflationary push behind premium income eases off. But sterling has stayed weak to date, and halfway through 1976 Alexander Howden and Matthews Wrightson are still striding forward convincingly. Howden is a comparable 29 per cent. ahead at £8m. pre-tax, while MW's insurance broking side has nearly doubled its returns.

Howden confirms that the Halford and Morice Tozer acquisitions made around £3m. of profits in 1975, against a combined purchase price of £18.8m. But otherwise the group, which in terms of profits is now the sector leader, is saying remarkably little. Broking is clearly moving well, and thanks to some specialisation, the underwriting syndicates have managed to buck the trend and stay ahead. There are not going to be remittances this year from Bermuda (these operations made £2m. pre-interest in 1975) where the group continues to make progress. Overall this year Howden could emerge with profits of £17m. pre-tax, and assuming a 45 per cent. tax charge that points to a 1976 p/e of 8, against a prospective multiple for the sector of maybe 9. Howden's 3 per cent. yield is a problem for the shares with Sedgwick Forbes returning 6 per cent. MW is now in the 7½ per cent. bracket despite a 12p jump to 185p yesterday.

MW candidly ascribes some of its broking growth to exchange gains. But the group has had a better time in ship broking and the rural land operations are losing less money—with little or no help from land sales. The double rental costs ahead of the May switch to new offices will not recur in the current six months. And if MW can make £7m. overall before tax its prospective p/e is an above average 9.8. But the group's operations contain a number of recovery areas.

Regalian

What do you do when your consolidated balance sheet shows a deficiency of £5m. in respect of capital and reserves? Do not lose heart — simply ignore it. As the report from Regalian Properties blandly points out, the release of the company last May from its guarantees and obligations means that it can ignore the deficiency in its subsidiaries. The parent's balance sheet shows—hey presto—net worth of £21,000. Profits of £16,508 for the single month of March "may be deemed" to be more significant than consolidated losses of £5.2m. for 15 months.

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